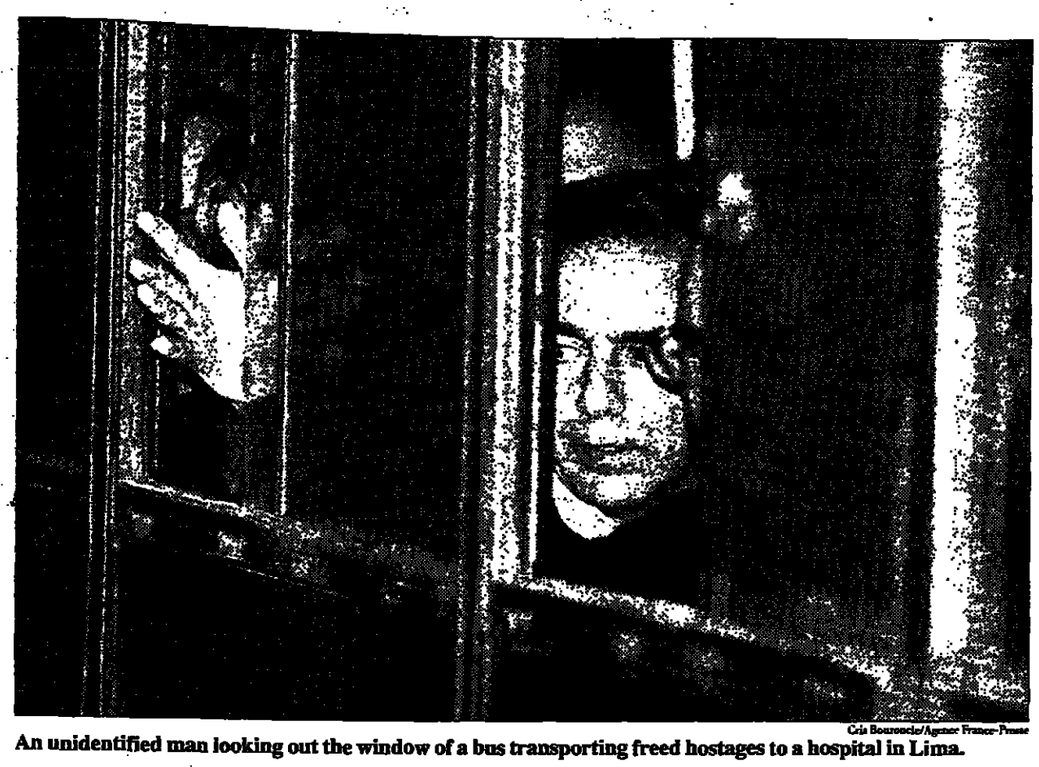
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Cris Bouroncle/Agence France-Presse

An unidentified man looking out the window of a bus transporting freed hostages to a hospital in Lima.

Peru Expects a Long Siege

140 Are Still Captive as Crisis Enters Second Week

By Gabriel Escobar
Washington Post Service

LIMA — The Peruvian government and rebels holding more than 140 hostages entered a new stage Monday in the negotiations to end the six-day siege, with a government official privately predicting a long process because, he said, President Alberto Fujimori would not moderate his hard-line stance despite humanitarian gestures by the rebels.

A day after the mass release of 225 hostages, analysts, former hostages and others monitoring the events predicted that the siege would settle to a standoff for at least the next few days as the rebels hold out for some concessions from the government.

Because the nature and extent of the talks between the two sides is not known, much of what is being discussed is speculative. But that the government has yet to restore basic services to the residence, where the rebels have been holed up since the attack last Tuesday night, was seen as a strong indication that Mr. Fujimori is adamantly opposed to even the smallest concession until all hostages are released.

"As of now, the two sides have gone back to their hard-line positions," said a government official. "This is a new stage. Now the real negotiations begin."

The gunmen, members of the Tupac Amaru Revolutionary Movement, are probably waiting for some reward after freeing the hostages Sunday, an act they called a Christmas gesture. A concession from Mr. Fujimori is not foreseen, in part because the government is interpreting the mass release as vindication of its unyielding stance, although some still hope that the approaching holiday may inspire generosity.

"The position of the government is very clear," said the official, "and up to now it has paid off."

Asked if there was a likelihood that Mr. Fujimori would offer some "gesture" — such as improving the conditions of Tupac Amaru members in jail, as the gunmen have demanded — the official said: "I see that as very difficult. Very difficult."

The leader of captors is a former labor leader turned rebel. Page 6.

Near the residence Monday, signs that the crisis had shifted were evident, even just in terms of logistics. The International Committee of the Red Cross reduced the number of meals from 400 to 200, and the humanitarian effort itself appeared to have been adjusted to the realization that the captivity will go on for some time. One indication was an adjustment in the menu — on Monday, 40 of the meals were described as "dietary," obviously tailored to hostages with special needs.

Six days into the crisis, the hostage population has been reduced from a high of more than 700 to fewer than 200, and former captives interviewed Monday said one immediate effect was that the physical conditions would improve.

"They can sleep comfortably. That is a big difference," said Elmer Escobar, representative of the Washington-based Pan-American Health Organization.

Until he was released Sunday, Mr. Escobar was a principal coordinator of health care inside the residence. He said hostages were well physically and, to a large degree, had even adjusted to the difficult regimen — "People are learning to live," is how he put it. Asked if the release of so many would have a

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Gingrich's Tattered Revolution

House Speaker Could Stay On, but His Influence Is Eroded

By Dan Balz
Washington Post Service

WASHINGTON — In the fullness of his rise to power, Newt Gingrich often boasted that he saw himself as "a transformational figure" who was systematically out to "shift the entire planet" through his energy, his ideas and his vision of a post-welfare-state America.

And for a time it was as if the political solar system orbited around him.

But those days are gone, and the report of the House ethics committee released Saturday — along with Mr. Gingrich's statement acknowledging his guilt — served to reinforce how far he has fallen in so short a time. In barely two years, the House speaker's galaxy has broken apart and even if he salvages his speakership, which appears likely, he may never succeed in restoring his political dominance in the country.

The contriteness of Mr. Gingrich's statement acknowledging that he "brought down on the people's House a controversy that could weaken the faith people have in their government" contrasts starkly with the hubris that surrounded his rise to power. And in the language of that statement there is an echo of other moments in Mr. Gingrich's career, when, faced with controversy over his actions, he admitted

NEWS ANALYSIS

to his excesses and promised to reform. But he rarely did.

Those moments of self-doubt or confession proved fleeting, and in due time the other Mr. Gingrich always reappeared: bold, highly partisan and sometimes reckless in his political behavior.

The question before the speaker now is whether this latest, and most serious, acknowledgment of wrongdoing will bring forth a changed politician, and if it does, what kind of effectiveness he will have as a leader among the Republicans.

David Rohde, a professor at Michigan State University who has written extensively on congressional leadership, said Sunday that, even if Mr. Gingrich retains his speakership when the 105th Congress convenes next month, his powers will be significantly diminished — not only by the ethics investigation, but also by the other mistakes Mr. Gingrich made since becoming speaker.

Those mistakes include his miscalculation in the budget battle with the president that led to two government shutdowns and the backlash against his personal pettiness when he complained about where he sat on Air Force One, the presidential airplane to and from the funeral of the slain prime minister of Israel, Yitzhak Rabin.

"He will not be able to be the kind

See GINGRICH, Page 3

New Flurry Of Activity Fails to Yield Hebron Pact

By Barton Gellman
Washington Post Service

JERUSALEM — A Clinton administration envoy pressed Israelis and Palestinians to a new flurry of diplomatic activity, but the efforts produced neither the accord they sought nor an immediate meeting between Prime Minister Benjamin Netanyahu and Yasser Arafat, the Palestinian leader.

For at least the third time since the beginning of autumn, the two sides appeared Monday to be on the brink of a long-delayed agreement for the withdrawal of Israel's army from most of Hebron. Few details still divided them on Hebron itself, the last of the large West Bank cities under military rule. American officials said the talks were stuck primarily on mutual mistrust and disputes over what would come after the Hebron withdrawal.

The special U.S. coordinator for the Middle East, Dennis Ross, drew Mr. Arafat and Mr. Netanyahu directly into the talks for the first time.

[Israeli radio said late Monday that Mr. Netanyahu will meet Mr. Arafat on Tuesday to finalize an agreement, Agence France-Presse reported.]

Mr. Ross arranged for each of the leaders to meet with a joint delegation of Israeli and Palestinian negotiators for a status report on the talks, meaning that Mr. Netanyahu's emissary, Yitzhak Molcho, was among Mr. Arafat's

See ISRAEL, Page 6

Yeltsin, Back at Work, Gets Off to a Slow Start

By David Hoffman
Washington Post Service

MOSCOW — President Boris Yeltsin formally returned to the Kremlin on Monday after months of hospitalization and a heart operation, but he offered few clues to plans for a second term that so far has been marked by drift and infighting.

"I'm ready for battle," the Russian president declared, alighting from his limousine inside the Kremlin walls, where he was met with a ceremonial salute from a military commandant who assured him that all was well inside the historic Russian fortress.

Outside the Kremlin, however, Russia is a mess. The government has been in a long, slow slide for months, unable to meet its basic financial obligations to soldiers, people on pensions and workers. Mr. Yeltsin has promised to tackle these problems as his top priority next year.

Wearing a coat, scarf and fur hat against the cold, Mr. Yeltsin looked as if he had lost weight since the Nov. 5 quintuple heart bypass operation. Doctors have said it could take another month for Mr. Yeltsin to return to full strength.

Nonetheless, Kremlin aides were at pains to play up the ceremonial and symbolic aspects of Mr. Yeltsin's return, which he announced in a stilted videotaped statement Friday from a hunting lodge outside Moscow.

There have been hints by Kremlin officials that sweeping decisions would soon be announced by Mr. Yeltsin, but little of substance has been disclosed.

Mr. Yeltsin's chief of staff, Anatoli Chubais, said over the weekend that Mr. Yeltsin's absence from the seat of power was one of the most difficult periods in recent Russian history, including what he described as a grave budget crisis in September and October. Largely due to Mr. Yeltsin's re-election

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Reuters

A trimmer President Yeltsin returning to work Monday at the Kremlin.

Beijing Villas: A Vision Of America Won't Sell

Foreigners Shy From New Suburban Housing

By Keith B. Richburg
Washington Post Service

BEIJING — Rose Garden Villas could be any modern American suburb, with gently curving streets, two-story houses over two-car garages, perfectly manicured lawns and neatly placed street lamps.

Developers unveiled this unlikely slice of suburbia on a blustery cold day in November with a traditional Chinese drummer troupe, gongs, and a loud and colorful dragon dance, all seeming reminders that while this might look like home, it still really is the People's Republic of China.

The problem is that few of the intended residents — Beijing's growing Western expatriate community — seem to be buying. The villas, as they are called, like Rose Garden and the new Dragon Garden Villas, are all in the distant northern and northeastern suburbs, and commuting around the congested capital's car-clogged ring roads at peak hours is a motorist's nightmare.

"People don't like to invest in villas," said Alex Wong of L&D Beijing Ltd., a Hong Kong-based real estate agent and property development group. "The villas are in the suburbs — you can't build villas downtown. But if you start a business in Beijing, you must live downtown because it's easier to do business. So foreigners prefer to live in apartments or in hotels."

Lately, though, Mr. Wong said, he has seen an improvement in the market for villas, as foreigners increasingly come to the Chinese capital intending to stay for longer periods and bring their families with them.

The ups and downs of the suburban-style villas reflect the confusion in Beijing's overall property market, as a lack of planning and rampant overbuilding have caused a housing and office space problem that some here say could become a crisis over the next few months.

The villas now becoming available were launched during the construction boom of 1993-94, when developers predicted a massive influx of foreigners taking advantage of the country's economic liberalization and its potential market of 1.2 billion consumers. Huge office building projects were planned and approved, and the American-style suburban communities were designed based on the assumption that foreigners want to live in houses that look just like they do back home.

By the end of 1994, the government declared a moratorium on new building approvals, but it was already too late. Now real estate industry representatives here predict that by the middle of next

See CHINA, Page 4

To Our Readers

Because of the Christmas holiday, this is a double issue of the IHT — no paper will be published Wednesday. Publication resumes with Thursday's issue.

AGENDA

Car Bomb Rocks Central Algiers

A car bomb exploded near a central Algiers café on Monday, killing at least three people and wounding 70. The blast occurred during lunchtime in the crowded neighborhood. The incident occurred a day after the prime minister said the government had defeated terrorism. (Page 6)

Rally for Milosevic

Buses brought hundreds of riot police to Belgrade on Monday, the day before a rally to demonstrate support for President Slobodan Milosevic. Opponents said he was provoking civil war. (Page 5)

Accord in Tajikistan

The warring sides in the bitter four-year civil war in Tajikistan signed two key accords Monday aimed at securing peace in the former Soviet republic. (Page 5)

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Opinion ..... Pages 8-9.
Sports ..... Pages 18-19.

Singapore Keeps an Eye on Malaysia

City-State Sees Neighbor as Competitor for High-Tech Business

By Seth Mydans
New York Times Service

SINGAPORE — Senior Minister Lee Kuan Yew has a new message for his countrymen: Watch out for Malaysia.

As Singapore races to keep ahead of its bigger and more richly endowed neighbors and maintain its place as the region's trading and service center, the nation's founding father is looking over his shoulder.

"Policies that we adopted which have made for our success are now followed by our neighbors," he said in a recent speech. First among those neighbors is Malaysia, he said, which is offering increasing competition "with its new container ports, new airport, new highways and high-speed railway and new high-tech multimedia corridor."

Malaysia seems to have been on Mr. Lee's mind since June, when he suggested that Singapore and Malaysia, two former British colonies that split bitterly 31 years ago, might one day reunite.

The unexpected suggestion touched off a flurry of speculation and finger-pointing, and Singapore-Malaysia relations have been on edge ever since.

Reunification would be difficult. Malaysia is a predominantly Malay nation of 18 million people, linked by a half-mile causeway to Singapore, a tiny, mostly Chinese island city-state of 3 mil-

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Dow Jones	Trib Index
Up 4.62	Up 0.14%
6489.02	148.24

The Dollar	Mon. close	previous close
New York		
DM	1.5547	1.5518
Pound	1.6765	1.6703
Yen	114.075	114.345
FF	5.2455	5.2375

Newsstand Prices

Bahrain	1.000 Din	Malta	.55 c.
Cyprus	C. £ 1.00	Nigeria	125,00 Naira
Denmark	14.00 D.Kr.	Oman	1.250 Rials
Finland	12.00 F.M.	Qatar	10.00 Rials
Gibraltar	£ 0.85	Rep. Ireland	IR £ 1.00
Great Britain	£ 0.90	Saudi Arabia	10.00 R
Egypt	£E 5	S. Africa	R12 + VAT
Jordan	1.250 JD	U.A.E.	10.00 Dirh
Kenya	K. SH. 150	U.S. Mil. (Eur.)	$ 1.20
Kuwait	600 Fils	Zimbabwe	Zim.$30.00

Elderly Immigrants Cram for a Test They Can't Afford to Fail

By Sara Rimer
New York Times Service

BOSTON — At age 82, blind in one eye, asthmatic and determined, Rosa Milyvaskaya, from Belarus, hobbled on her cane into the room for a meeting with her citizenship teacher.

"I must study," said Mrs. Milyvaskaya, speaking through a translator. "I want to be an American citizen."

Her teacher, Inna Brusilovskaya, a 72-year-old Ukrainian immigrant who recently became a citizen, held the frail hand of her student.

"We will prepare," she told a visitor. "She must do it."

At an age when they thought they had long since put school behind them, Mrs. Milyvaskaya and dozens of other aging Russian Jewish and Asian immigrants with little or no English in her low-income community here are staying up nights worrying and cramming for the most important test of their lives — the one to become American citizens.

For them and for tens of thousands of other legal immigrants across the country, the pressure is enormous.

Because of changes in the federal welfare law, if they fail the citizenship test they will no longer automatically be entitled to the government money that most of them need to live.

With some exceptions, the law bans legal immigrants of any age from receiving food stamps and federal Supplemental Security Income, which is cash support for poor and disabled elderly people.

The Congressional Budget Office has estimated that nationwide as many as 500,000 legal immigrants could lose their supplemental benefits.

In Boston, the news of the changes has passed from senior center to senior center. The government-subsidized, nonsectarian Jewish Community Housing for the Elderly in the Brighton neighborhood — where Mrs. Milyvaskaya is one of 900 tenants in three brick apartment buildings — has mobilized to try to ensure that no one fails.

Dr. Brusilovskaya and a handful of other tenants who are citizens — Naakh Vysoky, a former doctor from Ukraine, and his wife, Klara, a former teacher of German, and Wendy Wang, who was an accountant in China — formed a volunteer teaching corps in September.

Seven days a week, their students grapple with English and with the basics of American history and civics — the Bill of Rights, the duties of Congress and the Supreme Court, names of the 13 original states — which they must master to become citizens.

The examination includes 20 multiple-choice

See CITIZENS, Page 6

AT&T

Papal Views / **'A Cure for Insomnia'**

For Newspaper Of Vatican City, Controversy Is Anathema

By Celestine Bohlen
New York Times Service

ROME — Like Pravda, the Kremlin mouthpiece of old, the Vatican's semiofficial newspaper L'Osservatore Romano is best read for the news it does not print, buries in a mountain of text, tucks onto a back page or otherwise tries to avoid.

When a Vatican spokesman suggested to reporters last fall that Pope John Paul II would undergo another operation, L'Osservatore simply ignored his comments. When Cuba's leader, Fidel Castro, arrived in Rome to meet the Pope with a motorcade carrying machine guns through St. Peter's Square, L'Osservatore kept its coverage to a discreet photo of the two men seated at a desk, accompanied by the exact text of their statements.

Now that Pravda has lost its role of spokesman for the authorities, L'Osservatore Romano could probably be better compared with the Congressional Record — a source of official documents but with a specific purpose. Its pages are filled with articles on culture, religion and Italian and world affairs, and they are kept clean of any dissent.

Even controversial pronouncements by the Roman Catholic Church are missing. When the Vatican recently warned a Sri Lankan theologian that his theories had set him on a course toward excommunication, nothing about it appeared in L'Osservatore.

As defined by its editors, L'Osservatore is the Vatican's window on the world, a way to disseminate not only the Pope's official statements and documents, but also unofficial church views. The staff includes 25 journalists, editors and reporters, as well as numerous contributors on cultural issues.

L'Osservatore Romano has certain rules. Its front page must carry the Pope's daily schedule. His speeches are given automatic banner headlines, and the date in the top right corner is always the day after publication.

"It is strange," conceded a top editor, who insisted on anonymity in discussing the paper's date as well as other quirks, "but it is tradition. It has always been like that; it was born like that."

Founded in 1861 as the semiofficial newspaper of what was then a shrinking papal state, the paper has served 10 Popes, and has had 10 editors. The current one, Mario Agnes, was appointed in 1984; several deputy editors and commentators were there long before Pope John Paul II was elected in 1978. Change, when it comes to L'Osservatore Romano, comes very slowly.

In addition to the Italian daily, it is published in five languages, all of which go by the Italian name, which means The Roman Observer.

Because it is the Vatican's paper of record and Latin is still the official language of the Holy See, certain texts are published in Latin. When the Pope speaks or writes in different languages, the paper prints the original and an Italian translation.

Even now, editors at L'Osservatore still joke — anonymously — about the paper's resemblance to the old Pravda. "We used to say there were two great papers, Pravda and L'Osservatore," one editor said, chuckling. "Now there is just one."

ANONYMITY is a convention at L'Osservatore. Mr. Agnes refuses interviews altogether, and other editors talk only if their names are not used. The secrecy even extends to the readership; circulation figures are not discussed openly. "I myself don't even know," one editor said, looking stricken that he was being asked the question.

In fact, the Italian-language daily, supported by ever-increasing subsidies from the Holy See, has a tiny circulation, far less than Italy's other major Catholic daily, Avvenire. The official circulation figure for the Italian daily is 20,000, but it has not been confirmed by an outside audit. At the paper itself, some say readership has slipped below 10,000, behind both the Spanish-language and the English-language weekly editions.

There was a time when the daily paper, which now has an average of eight pages, had greater weight. Its circulation peaked at 150,000 in late 1939 and early 1940, when it was the only Italian-language paper to print military bulletins from all sides in the opening phases of World War II.

Even now, the paper prides itself on its attention to foreign news, particularly reports from the developing world that are ignored by the mainstream Italian press. In recent weeks, L'Osservatore devoted the top of its front page to the refugee crisis in eastern Zaire.

A former L'Osservatore reporter, now a correspondent for Italian state television, remembers a time when the Pope himself followed the paper's coverage closely. "Pope Paul VI used to read the paper cover to cover," Luigi Saitta said, recalling one hot summer afternoon at the height of vacation season when the Pope called to complain about a rash of typographical errors.

But Pope John Paul II, a native of Poland who came to the papacy with news media ambitions beyond newspapers, is said to show less interest in the paper, and it is probably not coincidental that a Polish-language monthly was started shortly after he took office. The collapse of communism and the weakening of Italy's Christian Democratic Party have undercut the influence of the paper on Italian politics.

"It's a very valuable documentary service," said Father Thomas Reese, an American Jesuit scholar and author of a recent book on the Vatican, "but it is also a wonderful cure for insomnia."

For all these reasons, L'Osservatore carries few advertisements, most of them paid obituaries, usually of priests; announcements of church-related gatherings, and an occasional full-page advertisement from a major Italian company.

NEVERTHELESS, sparse ad linage and declining readership don't particularly worry a paper that has never had to pay its own way. Journalists and diplomats accredited to the Vatican scan L'Osservatore for the occasional hint of shifts in policy, for tidbits of news. On moral and ethical issues they read Father Gino Concetti, a regular contributor since the 1960s, who writes against any deviation from the church's moral and ethical teachings, including a recent rebuke against the use of the death penalty.

For those who cannot spot the authoritative pieces on their own, the paper has a coding device. Three asterisks at the bottom mean the article is from the office of the Vatican's secretary of state, probably with papal approval.

The staff at L'Osservatore needs no prompting on the list of do's and don'ts that go with the job.

"Those who work in the paper are culturally homogeneous, but you'd expect the same thing of an Islamic journalist working for the Tehran Times," said Mr. Saitta, the former correspondent. "Those who work at L'Osservatore Romano agree with the ideas of the Holy See, so it's not a problem."



L'OSSERVATORE ROMANO

GIORNALE QUOTIDIANO POLITICO RELIGIOSO

UNICUIQUE SUUM NON PRAEVALEBUNT

CITTÀ DEL VATICANO

La visita a Sua Santità Giovanni Paolo II di S.S. Karekin I Sarkissian

L'allocuzione del Santo Padre

Il saluto del Catholicos-Patriarca Supremo di tutti gli Armeni

Doubts Greet Air Industry Safety Plan

Many Question Cost And Need for Measures

By Matthew L. Wald
New York Times Service

WASHINGTON — The recommendations that the National Transportation Safety Board made more than a week ago to prevent explosions like the one that destroyed TWA Flight 800 are facing broad opposition from commercial airlines and others in the industry who say compliance would be not only expensive but also possibly ineffective.

Within the Federal Aviation Administration, the agency to which the recommendations were made, there is skepticism that the measures would accomplish their goal of eliminating the possibility of an explosive fuel-air mixture developing in center fuel tanks of jets.

The agency has just begun a lengthy review process, but the recommendations also have been circulated within the industry. As usual, though, aviation engineers at airlines do not want to be quoted by name in speaking against a proposed safety measure.

"The history doesn't support a need for this," said one executive, who said that the explosion of a Trans World Airlines Boeing 747 shortly after takeoff from New York's Kennedy International Airport in July was an isolated incident whose cause had still not been determined.

A leading theory is that a system that dissipates static electricity had a flaw that allowed a charge to collect and then produce a spark. But engineers at the board say they have no physical evidence for this and may never have any, because such sparks would leave little trace. One aviation executive called the static-electricity theory "scientific speculation."

By recommending action, the safety board is trying to add a layer of safety by making it impossible for an explosive environment to build up in the fuel tank. But the history of such explosions is so scant that some people are not convinced there is a problem.

In addition to the TWA blast, engineers point to the explosion of a Boeing 737 owned by Philippine Airlines while it was parked at the airport in Manila. At least two other planes have been struck by lightning that caused fuel-tank explosions, but the response of regulators has been to improve lightning protection, not to make the atmosphere in the fuel tanks explosion-resistant.

The board, an advisory body, has proposed a variety of operational changes that could be made quickly. One would be to reduce the amount of fuel vapors created on hot days by pumping cold fuel from underground storage tanks into the center wing tanks of Boeing 747s, because cold fuel does not give off vapors.

In the longer term, the board suggested developing systems that would pump nitrogen gas into the tanks, possibly from storage on the ground, to squeeze out the oxygen required to support a fire or explosion, a process known as "inerting." It also called for installing temperature probes in the tanks so pilots would know whether the fuel was warm enough to give off vapors.

John O'Keefe, chairman of the Aeronautical Sciences Department at Embry-Riddle Aeronautical University in Daytona Beach, Florida, said that having to add fuel or nitrogen between flights would be difficult.

"In the routine of the operation, in most American carriers, where you have hubbing, the time between flights is very important," he said.

"Then someone has to look at the list of criteria and say, 'Do these criteria apply to this airplane today at this airport?' If you've got to do that with a fleet of four or five hundred airplanes daily, it can be a significant cost."

One expert on inerting, Eugene Klueg, said the job could be accomplished by on-board equipment, as it is on some military planes, but that "anytime you're talking about weight penalty, it becomes a problem," and the airlines resist.

Deadline Passes in Zaire, and Still No Government

Compiled by Our Staff From Dispatches

KINSHASA, Zaire — Zaire's splintered political leaders failed to meet a Monday deadline set by President Mobutu Sese Seko to agree on a crisis government to guide the country in a war against rebels, state radio said, adding that Marshal Mobutu now had the responsibility for naming the government.

The deadline was initially set for midday on Saturday but was extended by Marshal Mobutu for 48 hours when no accord was reached.

"Without agreement on the government, Marshal Mobutu Sese Seko will today be obliged to take on all his responsibilities," the radio announced. "No doubt we will hear more later today."

In normal circumstances Marshal Mobutu is not constitutionally empowered to nominate the prime minister and cabinet. But his spokesman, Kabuya Lumuna, said over the weekend that the president could use emergency clauses of the constitution to enable him to do so.

He said one possibility was for the president to call on emergency wartime powers to appoint the government.

Marshal Mobutu returned home Dec. 17 after more than four months of cancer treatment in Europe. He has vowed to take on rebels led by ethnic Tutsi Zairians who have seized territory in eastern Zaire.

The rebels' leader said Monday that government troops had launched a counteroffensive against the rebels.

Laurent Kabila, head of the rebel Alliance of Democratic Forces for the Liberation of the Congo (Zaire), who said he was ready to negotiate with Kinshasa, stated the government troops had begun their counterattack on Saturday in the Bunia region, close to the Uganda border.

"There are increased numbers of troops in Bunia and offensives from Bunia towards Beni," Mr. Kabila said. "It is a counteroffensive. The attacks began the day before yesterday. We are continuing to resist."

Kinshasa authorities must "cease the military adventure," he added. "They must come to the negotiating table. We do not agree with violence. We are pacifists."

Mr. Kabila spoke in an interview at the luxurious villa of Marshal Mobutu in Goma.

"We are warning Mobutu and his army against the nonsensical use of violence," he said. "Our riposte will be disproportionate. We are here and we are ready for them. It will be a pleasure to welcome them."

Mr. Kabila further accused the French government of assisting Marshal Mobutu's counterattack, saying, "Of course, Mobutu receives military help from France." *(Reuters, AFP)*

■ Paris Seeks to Prosecute Envoy

Foreign Minister Herve de Charette said Monday that France had asked Zaire to lift the diplomatic immunity of its ambassador to Paris after he was involved in a car crash that killed two French teenagers, Agence France-Presse reported from Paris.

It would be "unacceptable for justice not to be done," Mr. de Charette told his Zairian counterpart, Jean-Marie Kikitwa, in a letter handed over by the French Embassy in Kinshasa.

"I ask that you intervene to ensure that Zaire agrees as soon as possible to France's request to suspend the diplomatic immunity," Mr. de Charette added.

Rwandans Arrest 500 Hutu Refugees

Reuters

NGARA, Tanzania — The Rwandan authorities have arrested at least 500 Hutu refugees among the 340,000 who returned from Tanzania this month, UN officials said Monday. The government accused them of genocide.

Anne Willem Bijleveld, an official with the UN High Commissioner for Refugees, said the suspects were arrested in Murambi commune in northeastern Rwanda in connection with the 1994 murders of up to a million Tutsi and moderate Hutu.

A Hutu refugee lobby group, the Rally for the Return of Refugees and Democracy to Rwanda, denounced Monday what it called false allegations. It said the returnees were being arrested on testimony by people who pretended to be neighbors of the accused but wanted to keep stolen houses and property.

Paul Stromberg, a spokesman for the refugee agency in the Rwandan capital, Kigali, said: "Our understanding is that this is preventive detention as people gather around the trucks as the returnees disembark and indicate who they accuse of participating in the genocide."

He added that the authorities "don't have a lot of options other than protective detention to avoid vigilante violence."

■ Burundi Rebels Offer Truce

Hutu rebels fighting Burundi's mainly Tutsi army declared a Christmas and New Year truce on Monday to begin at midnight and to continue for 11 days, Agence France-Presse reported from Nairobi.

The unilateral truce was announced in Narobi by the main Hutu rebel movement, the National Council for the Defense of Democracy.

Fugitive Drug Enforcer Levels Charges at Salinas

By Sam Dillon
New York Times Service

MEXICO CITY — Guillermo Gonzalez Calderoni held secrets closely during his 10 years as a senior police commander in Mexico.

Politicians asked him for favors and U.S. agents relied on him for intelligence and protection. Even the drug lords he was assigned to pursue maintained an intermittent dialogue with him.

Now, after nearly four years of exile in Texas, Mr. Gonzalez, who fled his country shortly before being charged with corruption and the torture of prisoners, is one of the highest-ranking officials ever to speak out publicly about topics like political espionage conducted by Mexico's governing party or the corrosive effect of the billion-dollar profits pouring south from America's drug marketplaces.

In two days of interviews in McAllen, Texas, Mr. Gonzalez said a major Mexican drug trafficker had told him of making large cash payments to Raul Salinas de Gortari during the presidency of his brother, Carlos.

Mr. Gonzalez said he relayed these allegations to President Salinas in 1992 and to U.S. officials a year later.

At the time, the Clinton administration was preoccupied with its campaign for the North American Free Trade Agreement, and Mr. Gonzalez's reports were dismissed as rumors.

Mr. Gonzalez also related what he described as his role in several pivotal recent events:

- He wiretapped the phones of the main opposition presidential candidate at Raul Salinas's request.
- Mexico scheduled arrests of major traffickers for maximum advantage in gaining U.S. certification of its anti-drug efforts.
- A Mexican deputy attorney general ordered him to frame a prominent labor leader on false criminal charges to send a pro-business signal to Washington.

Mr. Gonzalez held the title of national director of drug interdiction, and he reported to Mexico's drug czar. The Salinas government broke with Mr. Gonzalez in 1993, accusing him of accepting payments from drug traffickers, and a year later sought his extradition from the United States on charges that he had tortured drug suspects.

Mr. Gonzalez said the government invented those accusations after he began reporting high-level Mexican corruption to U.S. officials. Last year, a U.S. judge refused to extradite Mr. Gonzalez after hearing testimony that Mexican officials had fabricated evidence against him.

Independent verification of some of Mr. Gonzalez's allegations was not possible. But Phillip Jordan, who retired this year as director of the Drug Enforcement Administration's El Paso intelligence center, said after hearing Mr. Gonzalez's assertions: "He has nothing to gain by saying this if it's not true. And I can tell you that much of what he says fits with the intelligence we had."

Mr. Gonzalez detailed events spanning a turbulent 10-year career in which he arrested some of Mexico's top traffickers and helped establish several of the compounds where the Mexican police monitor phone conversations. He was given written commendations by the FBI and the Drug Enforcement Agency.

His most explosive assertion was that Luis Medrano, then the trafficker in control of the cartel smuggling cocaine through Mexico's Gulf Coast, told him of having paid Raul Salinas in exchange for promises of political help in buying two Mexican seaports.

The traffickers' attempt to acquire the ports eventually failed, Mr. Gonzalez said. But Mr. Salinas negotiated with them for months and pledged to use his influence on their behalf, he said.

Mr. Salinas is imprisoned in Mexico on charges of financial wrongdoing and masterminding a rival's murder; he has repeatedly denied that his fortune derived in any way from the narcotics trade.

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TRAVEL UPDATE

Airline Group Warns Fare Hunters

GENEVA (Reuters) — The International Air Transport Association, the world airlines organization, warned hunters of cheap air fares Monday that they could run into "a lot of grief" if they were found using stolen or forged tickets.

It urged travelers to buy tickets directly from airlines or from agents approved by the 253-member International Air Transport Association.

Passengers buying tickets from other sources should establish which airline was to carry them and the number of the ticket and check with the airline before parting with any money, the group said.

Bethlehem Suffers Drop in Tourism

BETHLEHEM, West Bank (AP) — The number of tourists visiting Bethlehem has dropped by 11 percent during the year the biblical West Bank town has been under Palestinian control, a tourism official said Monday.

Palestinian officials blamed Israel for the decline, saying the general climate of uncertainty over the peace process and closures of the city by the Israeli Army scared off visitors.

TWA to Pare Operations in N.Y.

ST. LOUIS (AP) — Trans World Airlines, which lost $131 million at Kennedy International Airport in New York last year, will shrink its international hub there, company officials said.

The cutbacks will lead to hundreds of layoffs, starting in February, mostly of ground workers and flight attendants, but not pilots.

WEATHER

Forecast for Wednesday through Friday, as provided by AccuWeather.



North America
Windy and turning colder Wednesday from Boston to Washington, D.C., then partly cloudy and cold Thursday followed by sunny, milder weather Friday. Dry with at least partial sunshine in Los Angeles Wednesday through Friday. Occasional rain in Seattle those same days.

Europe
Stormy in Athens and Istanbul Wednesday through Friday with times of rain and wind; rain could turn to snow in Istanbul by Friday. Rain in Rome Wednesday, then windy and cold Thursday and Friday. Quite cold Wednesday and Thursday from Paris to Berlin to Warsaw to Moscow.

Asia
Brisk and cool in Tokyo and Osaka Wednesday. Partly sunny and seasonable Thursday and Friday. Partly to mostly sunny in Seoul Wednesday and Thursday; chance of snow Friday. Tranquil with sun Wednesday through Friday in Shanghai. Chance of rain in Hong Kong Wednesday.

Europe

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Algarve	15/59	8/46 pc	18/64	12/53 s
Amsterdam	-1/31	-4/25 s	2/35	-2/29 sn
Andorra	12/53	4/39 s	9/48	0/32 pc
Athens	23/73	14/57 c	18/64	11/52 pc
Barcelona	11/52	5/41 c	12/53	3/37 pc
Belgrade	8/46	-3/27 r	1/34	-6/22 sn
Berlin	-9/15	-12/11 pc	-7/20	-9/15 s
Brussels	0/32	-3/27 s	2/35	-2/29 sn
Budapest	-1/31	-7/20 sf	-3/27	-7/20 sf
Copenhagen	-3/27	-5/24 pc	-2/29	-3/27 s
Costa Del Sol	14/57	7/44 sh	19/66	11/52 s
Dublin	3/37	-1/31 pc	3/37	-1/31 pc
Edinburgh	2/35	-2/29 pc	3/37	-1/31 pc
Florence	11/52	2/35 r	9/48	0/32 sn
Frankfurt	-6/22	-11/13 s	-4/25	-7/20 s
Geneva	7/44	2/35 sh	3/37	-3/27 r
Helsinki	-10/15	-13/9 c	-9/15	-14/7 sf
Istanbul	17/62	12/53 pc	14/57	8/43 sh
Las Palmas	21/70	18/64 s	24/75	19/64 pc
Lisbon	11/52	8/43 c	14/57	9/48 pc
London	4/39	1/34 sh	5/41	2/35 sh
Madrid	6/46	3/37 pc	10/50	-5/23 pc
Mallorca	9/48	7/44 c	10/50	5/41 pc
Milan	10/50	1/34 sh	5/41	-4/25 r
Moscow	-1/72	-18/-2 pc	-1/64	-18/0 pc
Munich	1/34	-6/18 sn	-2/29	-8/18 sn
Nice	14/57	8/46 sh	13/55	3/37 sh
Oslo	-6/23	-9/15 s	-2/29	-8/18 s
Paris	-1/31	-6/22 pc	-3/27	-5/22 pc
Prague	-6/22	-13/9 pc	-6/22	-11/13 s
Reykjavik	4/39	2/35 c	4/39	3/37 c
Rome	15/59	3/37 sh	9/48	1/34 pc
St. Petersburg	-11/13	-16/4 sf	-13/9	-19/-2 pc
Stockholm	-6/22	-9/22 sn	-4/25	-7/20 pc
Strasbourg	2/35	-3/27 sn	2/35	-4/25 sn
Tallinn	-10/15	-13/11 c	-10/14	-14/7 sf
Venice	9/48	-3/29 r	4/39	-4/25 sn
Vienna	0/32	-10/16 sn	-7/20	-12/11 pc
Warsaw	-6/18	-13/9 sn	-11/13	-14/7 pc
Zurich	5/41	1/34 r	1/34	-4/25 sn

Middle East

Abu Dhabi	25/77	12/53 s	24/75	13/55 pc
Beirut	19/66	16/61 c	24/75	17/62 pc
Cairo	25/77	15/59 s	29/79	17/62 pc
Damascus	17/62	9/48 s	18/66	11/52 pc
Jerusalem	17/62	9/48 pc	18/64	10/50 pc
Luxor	28/82	8/48 s	27/80	11/52 pc
Riyadh	29/71	8/46 s	29/71	11/52 s

North America

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Anchorage	-6/22	-14/7 s	-6/22	-17/2 pc
Atlanta	9/48	1/34 sh	10/50	3/37 s
Boston	11/52	7/44 sh	9/48	-6/18 c
Chicago	-6/18	-12/11 c	-6/18	-12/11 sn
Dallas	9/48	-1/31 s	13/55	3/41 s
Denver	1/34	-9/18 s	10/50	-1/31 pc
Detroit	3/37	-9/18 sn	-7/20	-11/13 sn
Honolulu	27/80	18/64 s	29/82	21/70 pc
Houston	19/66	4/39 s	17/62	7/44 s
Los Angeles	20/68	9/48 s	20/71	10/50 pc
Miami	29/79	19/66 pc	28/79	17/62 pc
Minneapolis	-1/47	-19/-2 pc	-12/11	-21/-5 sf
Montreal	7/44	-3/27 r	-3/27	-16/0 pc
Nassau	24/75	20/68 pc	25/79	18/64 s
New York	13/55	3/37 sh	3/37	-4/25 pc
Orlando	24/75	13/55 s	23/73	11/52 c
Phoenix	20/68	7/44 s	24/75	11/52 sh
San Fran.	13/55	7/44 pc	18/64	11/52 pc
Seattle	6/43	3/37 sh	10/50	8/46 pc
Toronto	6/43	-9/15 r	-5/22	-13/9 pc
Vancouver	4/39	2/35 sn	8/46	8/46 sh
Washington	13/55	4/39 sh	4/39	-3/27 pc

Asia

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Bali	33/91	22/71 pc	33/91	23/73 pc
Bangkok	31/88	21/70 pc	31/88	21/70 pc
Beijing	9/48	-5/23 s	4/39	-3/27 s
Bombay	31/88	17/62 s	31/88	16/61 pc
Calcutta	25/77	11/52 s	26/79	14/57 pc
Chiang Mai	32/89	18/64 pc	32/89	19/66 pc
Colombo	27/80	23/71 c	29/84	22/71 pc
Hanoi	22/71	13/55 pc	21/70	13/55 pc
Ho Chi Minh	33/89	23/73 c	32/89	23/71 pc
Hong Kong	19/66	13/55 pc	19/66	12/53 pc
Islamabad	21/70	4/39 r	18/64	3/37 sh
Jakarta	29/84	23/73 pc	30/86	24/75 pc
Karachi	29/84	12/53 pc	28/79	11/52 pc
K. Lumpur	30/86	23/71 t	32/89	24/75 pc
K. Khabalu	25/82	24/75 pc	28/82	24/75 pc
Manila	29/84	21/70 c	29/84	20/68 pc
New Delhi	24/75	7/44 pc	23/73	5/41 sh
Phnom Penh	28/82	21/70 c	29/82	23/71 pc
Phuket	31/88	21/70 pc	31/88	21/70 pc
Rangoon	31/88	21/70 pc	32/89	21/70 pc
Seoul	7/44	-3/27 pc	4/39	-5/22 s
Shanghai	14/57	7/44 s	13/55	2/35 s
Singapore	29/82	24/75 pc	29/84	24/75 pc
Taipei	18/64	13/55 pc	17/62	12/53 pc
Tokyo	11/52	1/34 s	13/55	3/37 pc
Vientiane	21/70	13/55 pc	20/68	13/55 pc

Africa

Algiers	18/64	7/44 pc	18/64	7/44 s
Cape Town	23/73	14/57 s	25/77	16/61 pc
Casablanca	15/59	9/48 pc	21/70	12/53 pc
Harare	28/82	20/68 s	26/79	19/66 pc
Lagos	31/88	22/71 s	31/88	23/73 pc
Nairobi	29/82	12/53 pc	26/79	13/55 pc
Tunis	18/66	9/48 pc	18/61	7/44 pc

Latin America

Buenos Aires	32/89	21/70 pc	33/91	22/71 pc
Caracas	29/84	20/68 pc	30/86	23/73 pc
Lima	24/75	19/64 s	24/75	17/62 s
Mexico City	17/62	5/41 pc	18/64	5/41 pc
Rio de Janeiro	30/86	23/73 t	31/88	24/75 pc
Santiago	31/88	12/53 s	30/86	13/55 pc

Oceania

Auckland	20/68	12/53 s	21/70	14/57 pc
Sydney	31/88	23/73 pc	31/88	24/75 t

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1996

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THE AMERICAS

Jesse Jackson Ridicules Acceptance of Black English

By Neil A. Lewis
New York Times Service

WASHINGTON — The Reverend Jesse Jackson said Sunday that the school board in Oakland, California, was both foolish and insulting to black students throughout the United States when it declared that many of its black students speak a language distinct from traditional English.

Speaking Sunday on the NBC News program "Meet the Press," Mr. Jackson did not hesitate to wade into the explosive racial and educational issue thrust into prominence this week by the Oakland school announcement.

"I understand the attempt to reach out to these children, but this is an unacceptable surrender, borderlining on disgrace," he said. "It's teaching down to our children."

Mr. Jackson's comments were seconded by the other guests, former Education Secretary William Bennett, a frequent commentator on contemporary culture; Mario Cuomo, former governor of New York; and Senator Joseph Lieberman, Democrat of Connecticut.

Last Wednesday, the Oakland school board declared that many of its 28,000 black students, who make up a little more than half of the district's students, did not speak standard English. Rather, they used a distinctive language spoken by American blacks called Ebonics, a name taken from the words "ebony" and "phonics." The language is said to be characterized by nonstandard use of the verb "to be," the dropping of sounds at the ends of words, and other variances with standard English.

In making the decision, the board effectively equated students speaking Ebonics with other students whose first language is Chinese or Spanish.

Mr. Jackson said the Oakland school board had become a laughingstock, and he urged its members to reverse their decision, which he said was a misguided attempt to win extra federal money.

He said that black youths in Oakland and around the nation need to be challenged to speak proper English. Without that challenge, he said, they will not "get in the University of California."

"They cannot get a job at NBC or CBS or ABC unless they can master this language, and I'll tell you they can master it," he added.

The Oakland schools superintendent, Carolyn Getridge, has said the board's resolution was an effort to acknowledge that "African-Americans have a different language system."

But Mr. Jackson compared the move to lowering the height of basketball rims. "We demand that the goals be 10 feet high and the rims have the same circumference," he said. "We're not going to teach basketball down, and don't teach English and science and literature down."

Gingrich Case Recalls Battle By Another House Leader

The Associated Press

WASHINGTON — It's A Tale of Two Speakers, two House leaders humbled by ethics charges who tried different political strategies to survive.

Jim Wright fought the charges and lost, blaming the "mindless cannibalism" of his enemies. Newt Gingrich confessed and is still fighting for his job, but he is doing it another way — trying to avoid the censure that would make him ineligible to continue.

The ethics ordeals of Mr. Wright and Mr. Gingrich are different and they are similar; in one way, the men are bonded in political irony. Mr. Gingrich filed the ethics charges that led Mr. Wright to resign his House seat in 1989. But Mr. Wright says he feels no glee over the ethics woes of his former nemesis.

"I don't take any pleasure in the man's misery and discomfort," Mr. Wright said Monday by telephone from his home in Fort Worth, Texas. "It's sad to me, in fact, if discredit is being brought upon the House. That's an institution that I love very much."

Mr. Gingrich used the Wright case to raise money for his political organization, GOPAC. The speaker admitted Friday to violating House rules — by giving investigators inaccurate information about GOPAC.

Both Mr. Wright, a Texas Democrat, and Mr. Gingrich, a Georgia Republican, assumed the speakership with ambitious plans. Both were forceful figures who demanded loyalty from their troops.

But both made misjudgments and missteps in their first terms, and ethics charges forced both to take a lower profile. Both presided at their party's presidential nominating conventions under an ethics cloud.

"In the Wright case, you had a minor portion of Democrats extremely loyal to him," said William Kunkle, a Chicago lawyer who was an outside counsel in that investigation and an earlier inquiry of Mr. Gingrich. "But beyond that, Wright was more respected and feared than loved. So he didn't have the support a Tip O'Neill would have had. There's a personal level to it." (The late Mr. O'Neill was Mr. Wright's Democratic predecessor.)

And so it is with Mr. Gingrich. He was the leader of the Republican takeover of the House in the 1994 elections, and remains the ideological mentor for the party rank-and-file.

The two cases, however, have far more differences than similarities.

- Mr. Wright fought the charges for 45 days before resigning his speakership, never admitting transgressions and blaming his downfall on the "mindless cannibalism" of enemies. Mr. Gingrich admitted Saturday to rules violations but is bargaining for a reprimand, a lesser punishment that would allow him to keep his job. A more serious censure would make him ineligible under House rules.
- Mr. Wright was charged with 69 counts. He was accused of failing to disclose thousands of dollars in alleged gifts and of skirting rules on speaking fees through bulk book sales.

Mr. Gingrich's case did not involve personal gain. He admitted failing to seek legal guidance that would have warned him not to proceed with projects financed by tax-exempt organizations. He also acknowledged providing inaccurate, incomplete and unreliable information to the ethics committee by contending his political committee was independent of his tax-exempt activities.

- There was a sharp difference in timing between the cases that likely influenced Mr. Gingrich's decision to admit guilt. Mr. Wright had just been re-elected to his second term as speaker when he was charged. Mr. Gingrich, finishing his first term in the top House post, must stand for re-election Jan. 7 and wanted the current investigation completed before then.
- The Wright investigation encompassed all issues pending against the speaker. With Mr. Gingrich, the ethics committee has not decided how to handle allegations that his use of GOPAC violated campaign finance laws.

The conclusion of the current investigation "is not going to take the committee off the hook," said Ralph Lotkin, a Washington attorney. "It will have to bite the bullet" and make a decision on the remaining issues, he said, adding, "It would be kerosene for the committee to say, 'We're going to take this action and quit.'"



Alan Mothner/The Associated Press

Mr. Gingrich surveying the damage after his wife drove into the garage door at their home in Marietta, Georgia.

Tide Turns for Group Targeted by Scientology

By Laurie Goodstein
Washington Post Service

WASHINGTON — The young man whose lawsuit has pushed the Cult Awareness Network into bankruptcy has done an about-face and is no longer moving toward putting the group out of business.

He has abruptly dismissed his lawyer, a prominent member of the Church of Scientology, the nemesis of the anti-cult group, and hired an attorney who has battled the church in the past.

The sudden shift by Jason Scott, 24, has raised the possibility that the Cult Awareness Network, known as CAN, will be able to emerge from bankruptcy and resume its work. The group is a once-influential clearinghouse that for two decades counseled families and others to beware of new and unconventional religions.

The gradual dismemberment of CAN in bankruptcy court has shaken some nonprofit organizations whose work involves taking controversial stands against powerful interests that they fear can afford to sue them into silence.

CAN declared bankruptcy after Mr. Scott won a $1.8 million lawsuit against the group. His previous attorney, Kendrick Moxon, often represents the Church of Scientology. By contrast, Mr. Scott's new lawyer, Graham Berry, has assisted CAN members in the past. Mr. Berry said he would seek a cash settlement that would allow CAN to keep its files and return to its original mission.

The CAN name, logo and telephone number were sold in bankruptcy court last month to a member of the Church of Scientology, whose members are also trying to buy the extensive files that CAN kept on Scientology and other groups.

CAN's telephone hot line in Chicago, dormant for six months, is operating again. The people answering have been instructed to tell callers that CAN has been "taken over" by a "new corporation," but "we would be happy to help you with information about religious groups you have an interest in," said Steven Hayes, the Los Angeles attorney and Scientologist who bought the rights to use CAN's phone number.

The key, if unwitting, figure in this saga is Mr. Scott, of Bellevue, Washington. In 1991, Mr. Scott was kidnapped by a "deprogrammer" in an attempt to persuade him to renounce his loyalty to the United Pentecostal Church International.

"Jason Scott has no interest in being part of Scientology's campaign against the Cult Awareness Network," said Mr. Berry, Mr. Scott's new attorney. "His only concern is to be compensated for what happened to him."

Mr. Scott's former attorney, Mr. Moxon, has filed emergency motions in two states alleging that Mr. Scott has been coerced by CAN supporters to switch attorneys and settle for far less money than he won in court.

The legal battle began when Mr. Scott successfully sued the deprogrammers and CAN in Seattle. CAN was sued because Mr. Scott's mother had hired the deprogrammer, Rick Ross, after a referral by a CAN volunteer.

A jury awarded Mr. Scott more than $5 million in October 1995; CAN owed Mr. Scott as much as $1.8 million, while Mr. Ross owed as much as $3.4 million.

GINGRICH: *Ethics Charges Weaken Once Formidable Speaker*

Continued from Page 1

of figure and play the kind of role he gloried in in the early stages," Mr. Rohde said. "There's a big no man's land where he could hang on, but not be very consequential. That would be a very difficult role for him to manage because of his personality."

Despite sharp criticism Sunday of Mr. Gingrich's behavior by Democrats, including his chief congressional accuser, the House minority whip, David Bonior, Democrat of Michigan, Mr. Gingrich appeared to strengthen his hold on the speakership as House Republicans publicly rallied behind him.

But that well-choreographed show of support masks the reality that faces Mr. Gingrich as he begins what he hopes will be his second term as speaker. House Republicans may continue to see Mr. Gingrich as the person almost single-handedly responsible for their majority status and as the visionary architect of their agenda, but elsewhere in the party, Republicans appear less willing to pay him the kind of deference he received after the 1994 elections.

Two years ago, Mr. Gingrich and the "Contract With America" dominated the political agenda of the country. Today, a weakened speaker — who even before his moment of reckoning with the ethics committee had transformed himself into the least popular major politician in America — must contend with a resurgent Republican majority in the Senate, a large crop of Republican governors facing re-election in 1998 and most important, a newly re-elected President Bill Clinton, who despite ethical problems that may be far larger than Mr. Gingrich's, has re-emerged as the country's dominant political figure.

Some Republicans said Sunday that Mr. Gingrich's weakened status could be to the country's benefit, because he will be more willing to let the Senate majority leader, Trent Lott, take the lead for the party on Capitol Hill, more likely to give committee chairs in the House greater autonomy and more ready to compromise with Mr. Clinton than he was the last two years.

A Midwest Republican said Mr. Gingrich was not likely to become as powerful as he was two years ago, but added: "Can he get back to respectability? Yes. He can do that by working with Lott and Clinton to get things done."

Competition Gets Juicier in Land of Big Mac

The Associated Press

OAK BROOK, Illinois — With its own research showing its hamburgers aren't as tasty as the competition, McDonald's is making some changes.

The Wall Street Journal reported Monday that McDonald's was ordering modifications, including salting burgers as they cooked and improving the sauce for the Big Mac, after finding its burgers rated behind Wendy's and Burger King. Analysts say sales have been flat or lower for most of the year at U.S. stores.

Other changes include making sure burgers are not overcooked and putting the lettuce and tomato in the Arch Deluxes after they are heated in microwaves, not before.

BOOKS

ALIAS GRACE

By Margaret Atwood. 468 pages. $24.95. Nan A. Talese/Doubleday.

Reviewed by Christopher Lehmann-Haupt

OF the actual case on which Margaret Atwood's powerful new novel, "Alias Grace," is based, relatively few hard facts are known.

On July 23, 1843, Thomas Kinnear, a wealthy Ontario farmer, and his housekeeper, Nancy Montgomery, were murdered. Kinnear's stable hand, James McDermott, and 16-year-old maid, Grace Marks, were tried and convicted for the act. McDermott was hanged but Marks's sentence was commuted to life because of her youth and sex, and she entered the Provincial Penitentiary in Kingston, Ontario, on Nov. 19, 1843.

Yet the case attracted extraordinary attention. As Atwood writes in her Afterword: "The details were sensational: Grace Marks was uncommonly pretty and also extremely young; Kinnear's housekeeper, Nancy Montgomery, had previously given birth to an illegitimate child and was Thomas Kinnear's mistress; at her autopsy she was found to be pregnant. Grace and her fellow servant James McDermott had run away to the United States together and were assumed by the press to be lovers. The combination of sex, violence and the deplorable insubordination of the lower classes was most attractive to the journalists of the day."

Atwood has both rich material and enticing mysteries out of which to build a novel part epistolary, part narrative and altogether compelling. By focusing on Grace's story, she echoes the major obsessions of her fiction: women's identity, the relations of the sexes, the nature of consciousness itself.

In the broadest sense, Grace's story even recapitulates the passage to self-discovery of the I-narrator in "Surfacing." Atwood's second novel of the nine she has published, and the one that first earned her major attention.

Atwood's chief invention in her new novel is Dr. Simon Jordan, who has been engaged to interview Grace by people who believe her innocent and who are trying to get her pardoned. Grace has been unable to remember what she was doing when her employers were murdered.

Because Simon is interested in unconscious mental processes, Grace's supporters hope that he can stimulate her to recall what happened, or, as he puts it, "open her up like an oyster." As he interviews her, she recounts the autobiography that forms the novel's main narrative: how as a 12-year-old she shipped from Northern Ireland with her parents and six younger siblings, how her mother died in midpassage, how she hired out as a maid for a wealthy Toronto couple and how she had to leave because of her knowledge that their son had made her best friend pregnant and forced the abortion that killed her.

In Atwood's inventive handling, Grace is a sharp-eyed and highly intelligent character with the narrative skills to bring drama to the details of 19th-century domestic life. Her subordinate roles as a child, a poor person, a servant and a prisoner have bred in her a bitter sense of irony, which she eloquently expresses to Simon as she begins to feel more comfortable with him.

Because they are both attractive and intelligent, you expect Simon and Grace to fall in love with each other. And they do, in a sense. But also you despair of their ability to communicate, particularly when Simon starts offering Grace an apple and other fruits and vegetables that are stored in cellars, in the hope of getting her to think about the subterranean place where one of the murder victims was found. Seeing what her interrogator is up to, Grace easily outwits him, and Simon starts down the path of obtuseness that leads both to his own undoing and the story's surprising climax.

Another leitmotif is sounded by repeated references to the storyteller Scheherazade. Grace remarks on the pleasure men take in listening to her tales of suffering.

The comparison to Scheherazade is apt. And if Grace manages to keep several people in her life simultaneously at bay and attracted to her, the reader, too, is part of her fascinated audience. For her narrative powers are what draw one through the intricate maze of Atwood's story and lead to the heart of its complex vision of human motive and self-awareness.

Christopher Lehmann-Haupt is on the staff of The New York Times.

CHESS

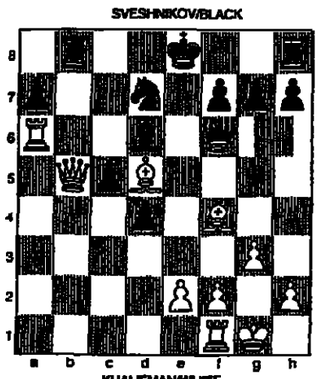
By Robert Byrne

SWISS-SYSTEM tournaments were looked down upon as unfit for serious chess in the old Soviet Union. Since tournaments of this type are too big for each player to meet all the others, the luck of the pairings creates a nest of tournaments, some weaker and some stronger. But these days in Russia, there is no choice. All the foremost competitors cannot be packed into a round-robin format. In this year's Russian Championship, there were 52 entrants, including 34 grandmasters. For a round robin, that would have required 51 rounds in the same number of days.

The tournament was 11 rounds, and it was won by Alexandr Khalifman. In Round 9 he beat Yevgeny Sveshnikov.

The Catalan Opening, first played in 1929 by Savielly Tartakover, is a hypermodern blend of a Queen's Gambit with a king's fianchetto, as can be seen after 5 Bg2. In recent years, it has given rise to a speculative pawn sacrifice, which Sveshnikov accepts with 5...dc. White's point is that the contortions that Black must go through to keep his material advantage should expose him to attack.

SVESHNIKOV/BLACK



KHALIFMAN/WHITE

Position after 20 . . . Rb8

The attack with 9 b3! forced the opening of lines for the white pieces. On 9...cb, 10 Qb3!, Khalifman invited his opponent to seize a pawn with 10...Qd4, but then 11 ab! Qa1 (11...Qb6 12 bc! Qb3 13 cb Qb7 14 Bb7 would cost Black heavy material, as would 11...Qb6 12 bc! Nc6 13 Qb6 ab 14 Ra8 Ba8 15 Bc6) 12 bc Nc6 13 Qb7 Ne5 14 Qa8 Kd7 15 Qb7 Ke8 16 Qb8 Kd7 17 Bb2 Qa5 18 Be5 is annihilating. Also, 11...Qe5 12 bc Bc6 13 Bc6 Nc6 14 Qb7 Qb8 15 Qc6 Nd7 16 17 Bf4 Qc8 17 Qa4 Bc5 18 Rd1 Ke7 19 Nc3 yields White an attack that easily outweighs the sacrificed pawn.

Khalifman's 11 Be3 created the threat of a breakthrough with 12 d5! and 11...Nd5 12 Nd7 Kd7 13 Nc3 would not solve Black's problems because 13...Ne3?! 14 fe leaves Black facing the threats of 15 Rf7 and 15 ab. So Sveshnikov played to defend himself, returning the pawn with 11...c5, but after 12 Nd7 Nd7 13 d5!? ba 14 Qa4 ed 15 Nc3! d4 16 Nd5, Khalifman had the upper hand.

On 16 Nd5, Sveshnikov could have played 16...Qd8, yet 17 Bf4 Rc8 18 Qa7 Bd5 19 Bd5 Be7 20 Bb7 O-O 21 Bc8 Qc8 22 Rab1 would win handily.

Sveshnikov may have overlooked the crushing 21 Bb7!, which denied Black the slightest chance. After 21...Bf4 22 Rf6 gf, however, he dragged on with 23 gf f5 24 Qc6 Kd8 25 Qd5 Kc7 26 Bc6 before giving up in the face of 26...Rhd8 27 Bd7 Rd7 28 Qc5 Kd8 29 Qf8 Kc7 30 Rc1.

CATALAN OPENING

White Kh'man	Black Svesh'kov	White Kh'man	Black Svesh'kov
1 d4	d5	14 Qa4	ed
2 c4	c6	15 Nc3	d4
3 Nf3	c5	16 Nd5	Bd5
4 g3	Nf6	17 Bd5	Rd8
5 Bg2	dc	18 Bf4	Qf6
6 0-0	b5	19 Qb5	Bd6
7 a4	Bb7	20 Ra6	Rb8
8 Ne5	Qb6	21 Bb7	Bf4
9 b3	cb	22 Rf6	gf
10 Qb3	Nbd7	23 gf	f5
11 Be3	c5	24 Qc6	Kd8
12 Nd7	Nd7	25 Qd5	Kc7
13 d5	ba	26 Bc6	Resigns

POLITICAL NOTES

Away From Politics

- The CIA is reopening an inquiry into whether agents failed to report accusations that a CIA-supported Honduran military intelligence unit in the mid-1980s engaged in torture, officials said. The inquiry was dropped earlier this year after two CIA officers were fired, but resumed under pressure from the Senate Select Committee on Intelligence. *(WP)*

- As many as nine people were killed and several others were missing after a huge explosion of unknown origin at an airplane parts plant in Houston. *(Reuters)*

- Gasoline pump prices ended 1996 about 13 cents per gallon higher than last year, but down from the May peak of $1.38 a gallon, said the Lundberg gas-station survey. The average price for all grades, including taxes, was about $1.29, compared with $1.16 for 1995. *(AP)*

CORRECTION

In the IHT's Dec. 16 Sponsored Section on Bahrain, one of the articles gave incorrect figures for Gulf International Bank's profit. The correct figure for the year ending Dec. 1995 is $69.8 million. Half yearly figures for 1996 showed a net income of $43.9 million.

A Supercabinet of 2: Clinton and Gore

WASHINGTON — President Bill Clinton's final round of cabinet nominations underscored what had become clear during his first term: When it comes to domestic policy, there is a supercabinet of two, the president and Vice President Al Gore. Whatever initiatives and innovations emerge in the second term will be driven far more by them and the White House staff than the agencies they oversee.

Mr. Clinton opted largely for known quantities over new faces in filling out his cabinet the past six weeks, rewarding loyalty and prizing both diversity and continuity. But there was no clear policy stamp imprinted on the public with these latest selections. Mr. Clinton's promise to govern from "the vital center" leaves open the question of the priorities he will pursue.

In comparison with four years ago, few of those newly named to the cabinet come to their jobs clearly identified with a set of ideas or with reputations as aggressive advocates for particular points of view. With few exceptions, they earned their new posts through diligent service to the administration over the past four years. What Mr. Clinton gains in continuity, he may lose in terms of challenges to existing assumptions inside the administration. *(WP)*

Transportation Boss Has Special Pipeline

WASHINGTON — The elevation of Rodney Slater from federal highway administrator to transportation secretary gives the department something it did not have for the four years of Federico Pena's administration — a pipeline directly to the Oval Office.

Mr. Slater became an ally of Bill Clinton's back in the early days in Arkansas when the White House was just a dream. For more than 15 years, Mr. Slater has been involved in Clinton campaigns and served in official positions in Clinton administrations in Arkansas and Washington.

Few people can claim such ready access to the president, the kind of access enjoyed by secretaries Samuel Skinner in the Bush administration and Drew Lewis in the Reagan administration.

Now the question becomes whether he can translate that access and loyalty into action during four years in which his department will be in the thick of decisions affecting highways, airlines and railroads.

There was almost a unanimous chorus from the transportation community and Congress that said the answer was "yes." Representative Frank Wolf, Republican of Virginia, chairman of the House Appropriations subcommittee on transportation, called the choice "a natural."

Industry groups uniformly praised Mr. Slater. The only negative note came from the consumer advocate Ralph Nader, who said Mr. Slater's appointment was a "disservice" to Americans, who deserve someone with a greater commitment to safety. He called Mr. Slater "basically a complete tool of the trucking and auto industries." *(WP)*

Quote/Unquote

Representative Nancy Johnson, Republican of Connecticut and the chairman of the House ethics committee, saying she hoped the panel could rule on Newt Gingrich before a House vote on his re-election as speaker in two weeks: "I hope we can act promptly. It's very hard when you have two weeks, both with major holidays." *(AP)*

ASIA/PACIFIC

Singapore's Opposition A Sure Loser in Election

Compiled by Our Staff From Dispatches

SINGAPORE — The People's Action Party, which has run Singapore since independence 30 years ago, swept back to power on Monday even before an election date had been set.

Candidate nominations closed Monday with opposition parties challenging only 36 of the 83 Parliament seats up for grabs, giving the long-ruling People's Action a guaranteed majority.

Prime Minister Goh Chok Tong and former Prime Minister Lee Kuan Yew were among the party's top figures who were declared automatically re-elected when no challengers registered to run in their districts.

"We are already in government," Mr. Goh said. Later Monday, the government set voting day as Jan. 2.

Opposition leaders had admitted they were unlikely to put up more than 40 candidates and a People's Action landslide was never in doubt. The opposition parties held only four seats in the old 81-member Parliament and said they would adopt a by-election strategy in the general election, picking races in which they might have a chance.

Opposition leaders also fielded too few candidates to take power in 1991 elections, saying they wanted to develop opposition talent without scaring away voters by threatening the People's Action Party's control of economic policy.

People's Action has launched a tough campaign. Ministers toured constituencies over the weekend with a stark message: vote for the opposition and forget any prospect of taking part in any government renovation and development projects.

Mr. Goh was the bluntest, telling voters on Sunday that he would respect their choice if they elected someone from the opposition.

But, he added: "Then you'll be left behind, then in 20, 30 years' time, the whole of Singapore will be bustling away and your estate, through your own choice, will be left behind. They'll become slums. That's my message."

Singapore has blossomed under the PAP into a thriving, modern city where the gross domestic product per capita is higher than in Britain, the former colonial power.

Political analysts say the most keenly watched aspect of the elections will be the percentage of the People's Action Party vote, to see whether running one-third new candidates will reverse a decline to 59.3 percent in 1991 from 75.6 percent in 1980. *(Reuters, AP)*



Reuge/Reuters

Singapore's prime minister, Goh Chok Tong, being lifted Monday by supporters of his People's Action Party as opposition parties failed to nominate enough candidates to challenge his parliamentary majority.

Philippine Chief Has Operation

Reuters

MANILA — President Fidel Ramos underwent surgery Monday for what could have been a life-threatening blockage in a major artery but was recuperating well and was eager to get back to work, officials said.

Doctors said the 75-minute operation to remove a cholesterol block in the right carotid artery was uncomplicated.

Raul Fores, director of the Makati Medical Center, where Mr. Ramos was admitted, said the 68-year-old president was in good shape and could be discharged Christmas Day or Thursday.

"He is on clear liquids and is doing very well," Dr. Fores said.

The carotids are the two main arteries that carry blood to the brain and blockages in them can lead to a stroke, officials said.

Dr. Fores said doctors noticed a buildup of cholesterol when they conducted tests on Mr. Ramos last weekend, when he was admitted to the hospital for treatment of a throat infection. He said Mr. Ramos consented to immediate surgery.

SINGAPORE: *Concern Over Malaysia*

Continued from Page 1

lion. Malaysia is an Islamic nation whose national language is Malay and whose economy has developed based on a policy that favors Malays over minority groups, including a Chinese population of 30 percent.

Singapore is a secular state with a Chinese majority. Its official languages of English, Mandarin, Tamil and Malay reflect its diversity.

But these days Malaysia's economy is on a fast track, growing at 8 percent a year, and the country is becoming a challenger in some high-technology industries and services in which Singapore is a regional leader.

Mr. Lee is constantly reminding Singaporeans that their continued success is far from assured and that they must survive by their wits.

But any reunification, he said in June, must be predicated on Malaysia's pursuing Singapore-style economic policies and abandoning its pro-Malay structure for a system of meritocracy like Singapore's.

"It will be difficult to achieve for a very long time, but I hope it will happen," he said.

This worried many Singaporeans. In a country where Mr. Lee's words are often fiat, 6 out of 10 people said in a poll that they opposed the idea.

Malaysians reacted irritably, with Prime Minister Mahathir bin Mohamad murmuring, "I do not think it is time yet," and adding, "We do practice meritocracy, but one based on race."

Singapore already has reason to be nervous as Malaysia embarks on a number of development projects that could cut into its regional role.

Hustling almost as hard as Singapore, Malaysia has moved well beyond an economy once based on rubber, tin and palm oil. It has developed its own auto industry, for example, and is the world's leading maker of air conditioners.

Now it is working to triple the capacity of its major seaport, Port Klang, which has already begun to take some traffic away from Singapore, one of the world's busiest ports.

A new airport is scheduled to open in 1998 near the capital, Kuala Lumpur, with the capacity to handle almost as many international flights as Singapore's efficient Changi airport, just a few minutes' flying time away.

Kuala Lumpur and the northern city of Penang are developing as high-technology business centers, working to lure regional headquarters from Singapore and offering manufacturers a vastly larger domestic market.

CHINA: *American-Style Villas Won't Sell*

Continued from Page 1

year, when construction is completed for most of those earlier office buildings, Beijing will have a million square feet of commercial space available, far more than the city needs.

"How can you find users?" Mr. Wong said. "It will take six or seven years to digest it. They overbuilt."

The overbuilding problem is so serious now that some new luxury buildings in prime locations, such as close to Tiananmen Square or the city's financial district, are starting to cut their rents by nearly half.

Instead of also building residential apartments, the developers focused on constructing the faraway villas on the mistaken assumption that foreigners want to live only in big houses in the suburbs. By 1997, some 3,000 villas are set to come on the market, real estate industry sources say.

As copies go, the Beijing villas are eerily close approximations of the standard American two-story home. The villa houses are all neat replicas of suburban living, with modern American standard sinks and toilets, wooden kitchen cabinets and banisters, and ample closet and storage space. With names like Beijing Riviera, Royal Garden and Fucheng Garden, they tout such features as security alarms, swimming pools, tennis courts and proximity to the airport.

Fucheng Garden boasts that all its 108 villas were designed by an American company "in American style, luxurious but comfortable." The advertisement, in the English-language China Daily targeted at foreign readers, also says, "All the material of construction and decoration as well as equipment are American famous products."

Almost all the villas tout their "proven investment potential."

The villas sell for about $400,000 and up; rents range from $5,000 to $8,000 monthly. But buying is often not considered such a bargain; under Chinese rules, only the house itself can be bought, with the land underneath on a long-term lease.

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BRIEFLY ASIA

South Korean Sentences Challenged

SEOUL — South Korea's "trial of the century" headed to the Supreme Court on Monday after prosecutors challenged sentences against former Presidents Chun Doo Hwan and Roh Tae Woo as too lenient.

The appeals court last Monday commuted Mr. Chun's death sentence to life in jail and slashed Mr. Roh's prison term to 17 years from 22½ years. *(Reuters)*

Cambodian Leader Cancels Trip

TA SANH, Cambodia — First Prime Minister Prince Norodom Ranariddh canceled a trip to Ta Sanh, a base for Khmer Rouge defectors, on Monday over fears that rebels loyal to Second Prime Minister Hun Sen would attack him, senior army officers said.

"There is no safety or security here," said Lieutenant General Nhiek Bun Chhay, deputy chief of staff for the armed forces. He said that, according to the police and soldiers, there was a threat from the local commander of Khmer Rouge defectors. *(Reuters)*

Further Disgrace for Beijing Ex-Mayor

BEIJING — A top Beijing official said Monday that the city's former Communist Party boss, Chen Xitong, could be punished for dereliction of duty in a further disgrace for an official who was once among China's most influential men.

But Deputy Mayor Zhang Baifa said at a reception that more than a year of investigation into the man who presided over China's capital for most of the 1980s had uncovered no evidence of more serious wrongdoing. *(Reuters)*

Tasmanian Murderer's Fortune to Be Distributed to Victims' Survivors

The Associated Press

HOBART, Australia — A judge ordered on Monday that a fortune held by the man convicted in Australia's worst modern massacre be seized and handed over to wounded survivors and relatives of the 35 dead.

Martin Bryant, 29, is serving 35 terms of life in prison after pleading guilty in November to killing 35 people and wounding 19 in a shooting spree on April 28. Soon after the massacre, the state Parliament passed laws allowing it to confiscate assets owned by violent criminals.

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EUROPE

Adding Fluoride to Water? Some Britons Don't Find It Toothsome

By Sarah Lyall
New York Times Service

LONDON — If there's one thing Christine Brook-Smith hates, it's fluoride. She hates it in her toothpaste. She hates it in her mouthwash.

But most of all, she hates it in water.

It was about four years ago that Mrs. Brook-Smith, now 49 and a part-time artists' model, saw a notice in the newspaper announcing that her local water authority in Scarborough, in Yorkshire, was planning to fluoridate the drinking water.

For a woman whose craving for a simple life extends to having no car and no telephone, the news was almost enough to make her renounce water, too.

"I turned on the tap to make a cup of tea, and I said to my husband, 'I don't want that going into my water supply,'" she recalled recently. "I believe very strongly that water is precious and that they shouldn't force us to do something if we don't want it."

Working on a shoestring budget, Mrs. Brook-Smith and her husband, Jeff, a fire fighter, distributed leaflets, gathered supporters and made dramatic anti-fluoride gestures, like creating giant allegorical sand drawings on the beach.

In the end, the water authority backed down, and the Brook-Smiths became cult heroes in a country where large segments of the population still harbor deep suspicions of fluoride.

Even though there are anti-fluoride campaigners left in the United States, most Americans went through their phobic period more than 40 years ago, when local governments first began fluoridating the drinking water as a public health measure.

It seemed a radical program at the time, and some people spoke grimly of communist mind control and the mass drugging of an unwitting population.

The furor died down for the most part, and now about 155 million Americans, 62 percent of the population, live in places where the water is fluoridated. Most also use fluoride toothpaste, which, combined with better diets, has greatly improved their dental health.

Dental hygiene is a different story in Britain, although things are looking up. In 1991, only 17 percent of adults surveyed by the British Dental Association were missing all of their teeth, compared with 28 percent in 1979.

Still, dentists and other health experts say a little fluoride in the water, at the tiny quantity of one part per million, might improve the situation even more.

"Our most deprived sections of the community, who are most at risk, are more in need of fluoride in the water, because they are the ones least likely to be using proper health methods," said Sheila Jones, a spokeswoman for the British Fluoridation Society, a private advocacy group. "They're not brushing their teeth — or at least not as frequently as the rest of us."

But Britain remains stubbornly resistant. With only 5.5 million people, about 10 percent of the population, living in places with fluoridated drinking water, the government has been hard pressed to extend fluoridation any further. Time after time, local health authorities have asked regional water companies to introduce fluoride to the water supply, and time after time the water companies have bowed to anti-fluoride campaigns.

There is a strong anti-fluoride faction in Parliament, led by Sir Ivan Lawrence, a Conservative who recently said that fluoride was "one of the most toxic poisons known to man" and declared that "a fraction of a teaspoonful will kill you."

Most health experts disagree.

"If you take a sample of the general population, they're not stupid," said Ms. Jones of the fluoridation society. "They know that the health authorities aren't going to risk poisoning the whole population."

She scoffed at studies cited by the anti-fluoridationists that link large doses of fluoride in laboratory animals to cancer, bone disorders, kidney failure, stomach and intestinal problems and even lower IQs.

"We're not talking about feeding rats, or even humans, with huge quantities of fluoride," she said.

The anti-fluoridation forces got a welcome boost recently when Colgate-Palmolive paid out $1,600 to an 11-year-old, Kevin Isaacs of Essex, who asserted that regular use of Colgate Minty Gel toothpaste had mottled his teeth and stained them brown — a common symptom of fluoride overdose. It turned out, though, that he had been eating toothpaste for years, despite his parents' admonition to spit, not swallow.

"Toothpaste is not made to be swallowed," said Kate Cinamon, a spokeswoman for the British Dental Association. She added, "One of the reasons the dental health of children has improved so much in the last two decades is because of the fluoride in the toothpaste."

Maybe so, said Mrs. Brook-Smith, but fluoride should be a matter of choice, not compulsion.

"It opens the floodgates," she said. "If they put fluoride in the water, what else would they put in?"

Opponents Fear Clashes At Pro-Milosevic Rally

Compiled by Our Staff From Dispatches

BELGRADE — Buses deposited hundreds of riot police in Belgrade on Monday, the day before a rally planned by aides of President Slobodan Milosevic. The opposition said he was provoking civil war.

Fears were growing that supporters of Serbia's president could clash in the capital with his opponents, tens of thousands of whom have been demonstrating for more than a month to protest the annulment of municipal elections the opposition appears to have won.

At least 10 busloads of riot police, carrying 600 policemen, entered Belgrade on Monday. They were deployed on the outskirts of the capital where a huge force, including armored anti-riot vehicles, has been stationed since the opposition protests started.

Opposition leaders appealed to their backers to remain calm.

The state-run Tanjug news agency announced the pro-Milosevic rally in downtown Belgrade, saying all those who are "for peace, freedom, independent Serbia and against terrorism and foreign rule" should come to a central square at 3 P.M. Tuesday.

Mr. Milosevic's foes have been holding their daily protests at the same time and place in the capital. There have been confrontations between the ideological rivals over the past week in Serbia's provinces, but none have yet erupted into violence.

"Milosevic is trying to provoke bloodshed on Belgrade streets," an opposition party spokesman, Slobodan Vuksanovic, said Monday.

In a statement, the opposition coalition called Zajedno, or Together, said Mr. Milosevic was trying to provoke clashes by disguising policemen as civilians, who would intervene against the pro-democracy demonstrators.

"This is a dramatic warning to the world that Milosevic has lost patience, by deciding to stop the peaceful demonstrations against him at all costs, including civil war in Serbia," said the Zajedno statement, faxed to The Associated Press.

The opposition supporters will continue with their peaceful marches and "the responsibility for eventual violence will be on Milosevic," the statement added.

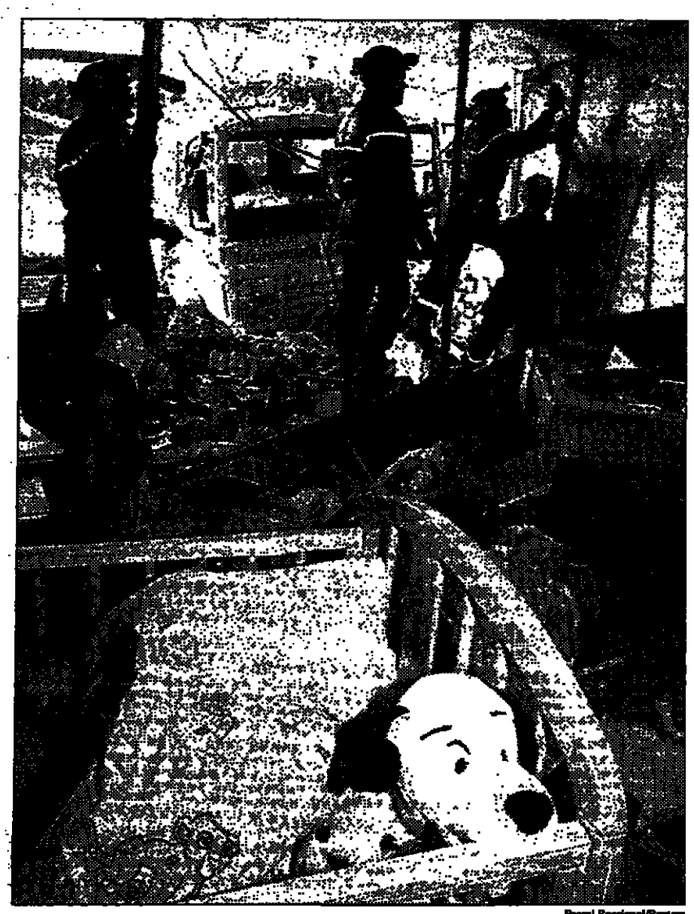
Tens of thousands of pro-democracy demonstrators flooded Belgrade streets Monday, as they have every day for the past month.

Over the past week, small pro-Milosevic rallies have been held in dozens of Serbian towns, but most of the participants have been elderly, die-hard Communists or factory workers bused to the meetings during working hours.

Farmers, meanwhile, blocked a main road in northern Serbia on Monday and warned Mr. Milosevic that they would paralyze the country.

Djordje Garabandic, president of the Independent Farmers Union, said the protest was to force the government to pay arrears to the farmers and was unconnected to the opposition protests.

Wider action by the farmers could threaten Mr. Milosevic's plans to bus government supporters to Belgrade for Tuesday's rally. *(AP, Reuters)*



Pascal Rossignol/Reuters

ON THE SKIDS — Fire fighters removing a truck that damaged a house Monday in the northern French town of Etrun after the driver lost control of the vehicle on an icy road. No one was injured.

Socialists Extend Search For a Bulgarian Leader

The Associated Press

SOFIA — Debates on who should lead the party and the country spilled over into a third day Monday at a congress of Bulgaria's governing Socialist Party.

Behind closed doors about 670 delegates continued to wrangle over who would succeed Zhan Videnov, who had been party chief since 1991 and prime minister since January 1995. He resigned from both posts Saturday.

Political infighting, foot-dragging economic reforms, widespread corruption, and rampant crime have brought this Balkan country of 8.5 million its worst economic troubles since the end of Communist rule in 1989.

The speaker of Parliament on Monday called an extraordinary session of the National Assembly for Saturday to vote on the resignation of Mr. Videnov's cabinet and elect a new one. A new prime minister requires approval by the legislature, in which the Socialists hold 125 of the 240 seats.

Two leading candidates are Interior Minister Nikolai Dobrev and the U.S.-born Georgi Pirinski, who resigned as foreign minister last month after declaring that the government lacked popular support.

■ Party Has Resisted Reforms

Jane Perlez of The New York Times reported Monday from Sofia:

The Bulgarian Socialist Party remains the least Western-oriented and most pro-Russian party in Eastern and Central Europe. The party has balked at undertaking market reforms, and many of its leaders have been under fire from a parliamentary corruption commission for allowing politically connected banks to drain the country's hard-currency reserves.

The government is currently spending two-thirds of its budget on domestic and foreign interest payments, leaving little for essential services. Schools have reduced their class periods from 45 to 35 minutes so that students spend less time huddled in the cold classrooms.

A mild winter so far is the only thing that has kept deaths relatively low among the elderly poor, doctors said.

Under Mr. Videnov's two-year stewardship, Bulgaria's economy has gone into a free fall, with inflation likely to top 300 percent by the end of this year. The currency unit, the lev, has fallen from 70 to the U.S. dollar in January to a low of 550 earlier this month.

The International Monetary Fund has frozen $582 million in loans because of the government's refusal to carry out reforms. It has insisted that in order for Bulgaria to qualify for new loans, the government must agree to the introduction of a currency board. Such boards have been used to stabilize the economies of Argentina and Estonia.

The Socialist Party was dealt a severe blow last month when its candidate for president was easily defeated by Petar Stoyanov, the candidate of the opposition Union of Democratic Forces. But the president in Bulgaria has little more than ceremonial power.

Mr. Videnov was able to enhance his strength this weekend not only because he stacked the congress with supporters but because the reform wing of the party has been weakened.

The main figure among the Socialist reformists, Andrei Lukanov, was shot to death outside his house in early October. His colleagues said the killing was linked to his plans to publicize corruption at the party's top levels.

5 Chechen Boys Killed by Mine

The Associated Press

GROZNY, Russia — A land mine exploded Sunday in a Chechen village, killing five boys between the ages of 10 and 12.

Movladi Udugov, Chechnya's deputy prime minister and information minister, told the Interfax news agency that the explosion in Berkat-Yurt, a village six kilometers (four miles) southwest of the capital, Grozny, appeared to be deliberate.

"The mine was remote-controlled," Mr. Udugov said. "It was a premeditated explosion. It may be related to a series of terroristic acts carried out in Chechnya recently."

The Russian Interior Ministry denied the charges, Interfax reported.

Karadzic's Long Shadow Over Bosnia

Bosnian Serbs' Government Boycott Viewed as Sign of His Influence

By Mike O'Connor
New York Times Service

SARAJEVO, Bosnia-Herzegovina — Revealing what foreign officials say is the continued power of Radovan Karadzic, a man indicted for war crimes who is supposed to have been removed from any position of political influence, Bosnian Serb leaders refused Monday to participate in the new national government of Bosnia.

The decision frustrated even the optimists among foreign diplomats, who nevertheless generally characterized it as perhaps only a temporary setback. "Nothing is ever final in this country," a Western diplomat said.

But other diplomats said it had proven that international efforts to persuade Bosnian Serb leaders to honor their commitments to join in a national government would fail as long as Mr. Karadzic and a small group of other extreme nationalists remained in power.

"They see a joint government as the end of their dream of an independent Serbian state and with it the end of their power to get rich and be safe from war crimes indictments," a diplomat said. "The trouble for us is, they are right. So how do we make them give that up?"

Michael Steiner, a German diplomat overseeing civilian efforts to form the new government, said a few days of reflection might make Serbian leaders change their minds. But other senior foreign officials involved in negotiations with the Serbs were not nearly as hopeful.

Negotiations foundered on the Bosnian Serbs' insistence that the new government's Council of Ministers, effectively the cabinet, meet half of the time on Serbian territory after having agreed for it to meet there only every third time, according to Mr. Steiner.

Foreign officials said the new demand was a pretext to scuttle the government, and they were convinced that if it had been accepted, more difficult demands would have been raised.

In the absence of a national government, the country remains essentially divided, with a Serbian state controlling about half of the territory and a Muslim-Croat federation the other half.

Although the national government is to have few powers, it is considered an essential link between the two regional administrations and, for purposes of relations with the outside world, the official face of Bosnia.

More than that, with Serb, Muslim and Croat officials working together, it is to be a way of slowly unifying the country, as envisioned in the peace agreement signed a year ago.

Even with the reluctance of Bosnian Serb politicians to join the government, there have been important advances in the Muslim-Croat federation. Senior Muslim officials give credit to American diplomats for helping both sides to overcome the mistrust that they say has prevented the formation of the federation's Parliament and ministries since elections in September.

Doubts remain, however, about how sincere the reconciliation between Muslim and Croat politicians is.

They have been divided by the emotions left from the war as well as by purely political issues between two political parties trying to set up a government.

The federation government has its own set of ministers who are to oversee most of its functions.

The prime minister of the federation, Edhem Bicakcic, a top official of the Muslim political party, said in an interview, "Finally, I am convinced that federation will work and that Croat leaders have decided to join with us to make a the state we all agreed to."

But considering the fact that Croat authorities continue to allow expulsion of some Muslims from the areas they control, the statement may be premature.

It may be, diplomats say, that the best the federation can do is to build what appears to be a joint government in the expectation that nationalist leaders will learn to work together over time. That was to begin Monday, as 15 ministers from both ethnic groups started to create an administration.

Fire Kills 9 In Germany

Reuters

HAMBURG — Nine German women were killed in a fire that destroyed a dormitory in a psychiatric hospital in the small northern town of Rickling, the police said Monday.

The women, aged 55 to 85, were patients at the hospital. The police said they did not yet know the cause of the fire but said arson could not be ruled out.

The fire broke out late Sunday. Initial reports said only two people had been killed, but the police later said seven other bodies had been discovered in the ruins of the building where the patients lived.

They said 23 people who lived in the wooden building were evacuated Sunday night without injury. Authorities were at first unsure how many patients had been in the building when the fire started.

Rickling is about 40 kilometers north of Hamburg and a similar distance east of Luebeck, where 10 people were killed in a fire in January at a foreigners' hostel.

Although it was initially feared that the Luebeck fire had been started by neo-Nazis, prosecutors later said it had been started by a Lebanese man who lived in the house. He is being tried for aggravated arson and causing bodily harm.

Dutch Politician Convicted

The Associated Press

AMSTERDAM — A Dutch far-right politician was convicted Monday of inciting racial hatred and fined 3,000 guilders ($1,700), a court spokesman said.

The politician, Hans Janmaat, is leader of the nationalist Central Democratic party and a member of Parliament.

Tajikistan Signs Truce With Rebels

Compiled by Our Staff From Dispatches

MOSCOW — The warring sides in the bitter four-year civil war in Tajikistan signed two key accords Monday aimed at securing peace in the former Soviet republic, the Interfax news agency reported.

The accords, signed by President Imoli Rakhmonov, the Islamic opposition leader Sayid Abdullo Nuri and a United Nations envoy, map out the powers and functions of a new national reconciliation commission, the news agency said.

Prime Minister Viktor Chernomyrdin of Russia, who was present at the signing ceremony in Moscow, said he was confident both sides would strive to cement peace. Interfax quoted him as saying that the documents "reflect the aspirations of the whole Tajik people who are tired of war and feuds."

Russia has 25,000 troops in Tajikistan — its largest foreign deployment — and Moscow has been pressuring the government to make peace for years. The presence of Mr. Chernomyrdin was a sign of the importance the Kremlin attached to the deal.

Tens of thousands of people have been killed and many more have been displaced in the fighting between government forces and Islamic rebels since Mr. Rakhmonov ousted Islamic rulers in 1992.

Under the agreement, the two sides are to undertake to complete negotiations for a permanent peace settlement by July 1, 1997. They are expected to declare a amnesty and to exchange prisoners of war, Interfax reported.

The agency quoted a Tajik government spokesman, Zafar Saidov, as saying that the reconciliation commission would bring opposition figures into all levels of government, and prepare for a possible referendum on the constitution and possible parliamentary elections during a "transition period." But it was unclear when elections might be held.

The opposition has said in the past that it would like to see such a commission form the basis of a power-sharing arrangement. But diplomats said the government could use the agreement to win time to strengthen its grip on power.

In a related development, the government and a Tajik rebel group have agreed to release the last two hostages from among those captured Friday, Interfax reported. The remaining hostages were part of a group of 23 people, of which seven were UN representatives. *(Reuters, AP)*

French Firm Cuts U.K. Beef

Reuter

PARIS — A French food company on Monday withdrew a range of prepared meals that might contain British beef because they were made before British beef imports were banned to prevent the spread of "mad cow" disease.

A spokesman for Panzani-William, a subsidiary of the food group Danone, said the meals had been sold under the brand name William Saurin, one of France's most popular brands of such dishes.

"There is no reason for panicking. These are harmless products," the spokesman told radio France-Info.

He said the meals already bought could be exchanged for new ones. They included beef meals as well as pasta in Bolognese beef sauce.

BRIEFLY EUROPE

NATO Commander to Retire

BRUSSELS — The supreme commander of North Atlantic Treaty Organization forces in Europe, General George Joulwan, said Monday that he would retire in the spring. A replacement has not been named.

An American, General Joulwan, 57, headed NATO forces while the alliance was charged with the delicate task of overseeing the peace accords in Bosnia-Herzegovina. *(AFP)*

French Businessman Freed

PARIS — The former head of the French oil giant Elf Aquitaine, Loik Le Floch-Prigent, was released on bail Monday after nearly six months in jail, people close to the case said.

A magistrate who is investigating the case, Eva Joly, ordered Mr. Le Floch-Prigent freed. Mr. Le Floch-Prigent was chairman of France's state-run railway SNCF at the time of his indictment on fraud charges, but was forced to resign shortly after being imprisoned on July 5. *(AFP)*

Turkey Denies Deal With Iran

ANKARA — The Turkish Foreign Ministry on Monday ruled out the possibility of defense industry cooperation with Iran, overturning earlier remarks by Prime Minister Necmettin Erbakan.

A ministry spokesman, Omer Akbel, said, "Cooperation with Iran in the defense industry is not on the agenda and there are no joint projects in that field, either."

He said the issue had not been discussed with Iranian officials. *(AFP)*

Corsicans Blamed for Blast

PARIS — A powerful bomb exploded early Monday at the Paris headquarters of a government statistics agency, an agency official said.

A spokeswoman said no one was hurt in the explosion at the office of the national agency, known as INSEE. Radio France Info cited unnamed police officials as saying the authorities suspected the "historic wing" of the National Front for the Liberation of Corsica. *(AP)*

Moldova Secessionist Wins

TIRASPOL, Moldova — The incumbent leader of the breakaway Dniester region of Moldova easily won re-election as president and said Monday that he would continue his push for independence.

President Igor Smirnov won 72 percent of the vote Sunday, the election commission in Dniester said. The election was seen as an attempt to cement the independence of Dniester from Moldova. *(AP)*

Havel to Remain in Hospital

PRAGUE — President Vaclav Havel of the Czech Republic has been moved out of intensive care three weeks after undergoing surgery to remove a malignant tumor from his lung, but will remain hospitalized over Christmas, doctors said Monday.

Mr. Havel's doctor, Pavel Pafko, said that there had been no further complications and the health of the 60-year-old Mr. Havel was improving, but that doctors felt his recuperation would be handled better in the hospital. It was not clear Mr. Havel could return home. *(Reuters)*

INTERNATIONAL

Labor Leader Turned Elusive Rebel Leads Lima Captors

By Calvin Sims
New York Times Service

LIMA — The leader of the Marxist guerrillas holding hostages in the Japanese ambassador's residence here is a former textile union official whose adept attacks and ability to evade capture have given him almost mythic stature in Peru.

For more than a decade, anti-terrorism police have pursued Nestor Cerpa Cartolini, the leader of the Cuban-inspired Tupac Amaru Revolutionary Movement, which took over the building in a stunning assault last Tuesday night.

But law enforcement officials and recently freed hostages have confirmed that the elusive Mr. Cerpa, known in Peru by the nom de guerre Comandante Evaristo, is commanding the heavily armed rebels from inside the house.

Police officials said that Mr. Cerpa is a poorly educated man who turned to the rebel movement out of frustration after achieving little political influence as a union official. They called him a "vicious killer" who studies his prey and has always managed to escape his pursuers.

But former hostages in the ambassador's residence, who spoke with Mr. Cerpa during their captivity, said that he is intelligent and well-informed and did not appear mean or villainous. They said that Mr. Cerpa gave orders in a subdued way to the estimated 20 young guerrillas under his command and that he often engaged them in lively debate.

"My encounter with Cerpa was very strange," said Francisco Sagasti, a prominent political analyst who was freed Friday night. "He was like an interesting guy who you meet and want to buy a drink to continue talking."

Mr. Cerpa, who has a reputation as a man of action, took the helm of the Tupac Amaru organization after its founder, Victor Polay, was captured in June 1992. Mr. Cerpa was a founding member and the group's military commander.

Tupac Amaru, which is estimated to have between 300 and 600 members, operates mainly in the upper Huallaga Valley, a jungle area in eastern Peru controlled by guerrillas and drug traffickers.

Named for an 18th-century rebel leader who fought Spanish colonial control, Tupac Amaru was founded in Lima on many of the Communist principles that led to the Cuban revolution. It took up arms in 1984. Peru's other rebel group, Shining Path, which has about 2,000 active members, is better known and considers Tupac Amaru members traitors to Communism.

The two groups have often fought each other for "taxes" from cocaine smugglers in the Huallaga. Abimael Guzman, Shining Path's founder, was captured in 1993 and is in prison.

While Shining Path has been responsible for carrying out most guerrilla attacks in Peru, Tupac Amaru has attacked Western embassies, robbed banks, kidnapped business executives, bombed American fast-food restaurants and battled army units. Of the 30,000 people who have died in the last 15 years of insurgency, several hundred deaths have been attributed to Tupac Amaru.

Many of those operations, particularly the kidnappings of prominent Peruvian and Western businessmen, are said to have been engineered by Mr. Cerpa. The anti-terrorism police said he was the mastermind of a dramatic 1990 escape of Mr. Polay and nearly 50 other Tupac Amaru rebels, who dug a tunnel from Peru's maximum security Canto Grande prison. Mr. Polay was recaptured.

"Long before he took control of the Japanese residence, Cerpa was the most wanted man in Peru," said an anti-terrorist official who spoke on condition of anonymity. "Words cannot describe how bad we want him now."

Tupac Amaru has tried to promote a Robin Hood image of stealing from the rich to help the poor.

Unlike other leaders of Tupac Amaru, who come from the middle class, Mr. Cerpa is from a working-class family and was active in the labor movement of the 1970s.

As a young union official nearly 20 years ago, he and his fellow workers, armed with sticks and stones, took control of a bankrupt textile factory after its owners tried to close it down. Four people died in the ensuing conflict, and Mr. Cerpa served a year in prison. After his release, he joined the leftist political movement and later went underground.

Mr. Cerpa has displayed an uncanny ability to elude capture. Police officials said that on at least six occasions he has left his comrades not long before they were arrested.

Last year he left a rebel safe house in Lima five days before the police arrested 23 people.



The Associated Press

Nestor Cerpa Cartolini, shown in a file photo, is the leader of the Lima guerrillas.

Some of those released from the ambassador's house said Mr. Cerpa is a stout man in his mid-40s who walks with a limp. They said that he told them that his wife was serving a life sentence for terrorism and that his two children live in hiding. In the Japanese residence, he was always armed and wore his trademark olive uniform and red-and-white handkerchief around his neck, the former hostages said.

Elegant Party Exploded Into Terror

Released Hostage Tells of Privations, but Says He Didn't Fear for Life

Reuters

LIMA — The invitation to the party had said it would last until 9 P.M. Dress was formal.

Six nights later, still wearing his crumpled best suit, Carlos Aquino Rodriguez left the elegant residence of the Japanese ambassador, where about 20 armed Peruvian guerrillas had held him and hundreds of others hostage.

Despite spending more than 145 hours in a cramped room, sleeping on the floor, with no water to wash in and no change of clothes, Mr. Aquino sounded bright and cheerful after his release Sunday night along with 224 other men.

"I feel fine, relieved of course," he said.

Mr. Aquino, 37, a university economics professor, had been enjoying the party until it was dramatically interrupted.

"The Japanese ambassador's parties are always very good because some of the most important people in the country are there," he said. "Suddenly, at about 8:20 P.M. there was a tremendous explosion that stood everybody's hair on end and created total panic."

The rebels later told him how they had pulled off their attack by dynamiting the wall of a house abutting the rear of the ambassador's property.

Mr. Aquino disputed earlier speculation that some members of the rebel group had already infiltrated the party dressed as waiters. "That's not the case," he said. "They came in shooting in the air and yelling. It was terrifying."

After releasing the women and the elderly, the rebels meticulously censored their prisoners and divided them into different groups — military officers, politicians and government officials, businessmen and diplomats. Mr. Aquino was grouped with other professionals.

The 4-by-6-meter bedroom that had been his cell at the ambassador's home contained 28 people.

"The 28 of us couldn't all sleep in the same room," Mr. Aquino said. "In reality, about 24 of us could sleep — even then squashed together head to toe."

The men were closely guarded by heavily armed rebels dressed in commando uniforms who communicated with one another constantly by two-way radio.

Mr. Aquino said: "There was always one of them at the door. The idea was for us to be permanently watched."

In an effort to persuade the guerrillas of the Tupac Amaru Revolutionary Movement to give up their fight, the authorities cut off water, electricity and telephones to the residence on the second day of the ordeal.

"It was a really tense, difficult situation," Mr. Aquino said.

Food supplies were also scarce. "By Thursday morning, it was one roll of bread between five of us."

But hostages were gradually released, and Red Cross food supplies began to get through.



Pilar Olivares/Reuters

Relatives of an unidentified hostage, who was still being held by the rebels, comforting each other after 225 other captives were freed.

Mr. Aquino said that apart from the first few hours, when the guerrillas were fighting off a brief attack from the police outside, he never felt that the rebels would kill their captives.

"We suffered no physical or mental harm," he said. Instead, Mr. Aquino described the rebel leader Nestor Cerpa Cartolini, who "explained his strategy and what his movement wanted," as "a cultured man, well-read and quite intelligent."

Car Bomb Kills 3 and Wounds 70 At Crowded Central Algiers Café

Compiled by Our Staff From Dispatches

ALGIERS — A powerful car bomb exploded near one of the capital's biggest cafés at lunchtime Monday, killing at least three people and wounding 70, the authorities said.

The bomb exploded at 12:45 P.M. near the popular Milk Bar café, when the sidewalks and streets were filled with lunch-hour traffic.

The blast also damaged a pizzeria and shattered windows in nearby buildings.

The explosion was felt throughout central Algiers, and security forces quickly cordoned off the neighborhood, near the city's port.

The government said in a statement that the attack killed three people and wounded 70. A hospital source said the bomb had killed "several" people. The source, who spoke on condition of anonymity, could not give a precise death toll.

There was no immediate claim of responsibility for the blast. Islamic insurgents have waged a three-and-a-half-year war against the military-backed government that has left more than 50,000 people dead. The insurgents are seeking the installation of a Muslim fundamentalist government.

On Saturday, a bomb exploded at a high school near Algiers where many girls have refused to wear the traditional Muslim head scarf. One student was killed and another was wounded.

Monday's bomb came a day after Prime Minister Ahmed Ouyahia asserted that the government had defeated the guerrillas and that "terrorism is living its latest convulsive moment." *(AP, Reuters)*

PERU: *Crisis Enters 2d Week*

Continued from Page 1

negative effect psychologically on those who remain, Mr. Escobar said that Friday's release of 38 hostages had actually raised spirits inside. "More people outside, more negotiators, more people trying to help," he said.

A census of the captives has not been made public, and the closest approximation is an assessment by the Red Cross that there are "140 or more" still inside the residence. Among them are top Peruvian police and military commanders, some of the most "sensitive" cases, given that the Tupac Amaru is labeled a terrorist group by the government and these hostages are its principal foes.

Also at the residence are Peruvian elected officials, prominent jurists and Asian and Latin American diplomats, among them the Japanese ambassador, Morihisa Aoki.

The rebel leader, Nestor Cerpa Cartolini, said in a statement Sunday that the 225 hostages were freed because they were not involved "directly or indirectly" in government. But that the released included seven Americans, all of whom worked at the U.S. Embassy, as well as the ambassadors of Panama, Cuba and Venezuela, hinted that there may be some other reason for the screening.

The ambassadors of Canada, Germany, Egypt, Greece, Brazil and Spain were released earlier in the crisis, and among those still held are the ambassadors of Guatemala, Bolivia, Honduras, Malaysia, Uruguay and the Dominican Republic.

The Tupac Amaru has a particular interest in Bolivia because several members are jailed there. The recent histories of the two Central American countries make them important, if only philosophically, to current and former rebel movements in Latin America.

To some observers, the rebel screening process is telling, particularly since they have released the ambassadors of most, if not all, the countries who are known to take a very hard stance in hostage situations.

That is seen as a likely interpretation of why the Americans were released, for instance, and a principal theory on why the Japanese were targeted for the assault in the first place. A U.S. official said Monday that "to the best of our knowledge" no more Americans remain in the residency.

"Of the major powers the Japanese, in contrast to the Americans and some of the Europeans, have been more disposed to yield to terrorist demands in order to protect the lives of hostages," said Alexander Watson, the United States ambassador in Peru from 1986 to 1989 and until this year the assistant secretary of state for Latin America.

"You could even suggest that releasing the seven Americans is related to that," said Mr. Watson, who retired from the foreign service and is now the vice president and executive director of the Nature Conservancy's Latin American and Caribbean division.

"The Japanese will be putting pressure on Fujimori to yield, while the U.S. and the others would say to maintain a hard line," he said.

The government official confirmed that Mr. Cerpa has from the outset asked for an opportunity to talk to imprisoned comrades, in particular the principal leader of the movement, Victor Polay. The official said the request had been denied.

In his two lengthy communiqués, Mr. Cerpa has placed great emphasis on prison conditions — on Sunday he equated the prisons with tombs and called the situation "unacceptable."

Living conditions in Peruvian prisons, particularly for those sentenced under Peru's strict anti-terrorist laws, is a delicate issue for Mr. Fujimori, who has been under intense pressure from human-rights organizations. Partly as a result of the pressure, he recently lifted a five-year ban on visits by relatives of those convicted of terrorism or treason. Ironically, the siege occurred before the order could be executed and now its future is uncertain.

Mr. Cerpa is demanding the release of Tupac Amaru members, which a human rights official with access to the information said comprised 404 people. All but Mr. Poloy, who is held at a naval base, are incarcerated either at a prison in Lima or a more severe penitentiary in Puno.

All 404 have admitted to being Tupac Amaru members, although some have since retracted, including one of the senior leaders. The great majority have been convicted under the 1992 anti-terrorism legislation, which established military tribunals with faceless judges.

Convictions carry life sentences without possibility of parole. Mr. Fujimori has dismissed the liberation of these prisoners as a tool in the negotiations and even used the same word Mr. Cerpa used to describe prison conditions: unacceptable.

YELTSIN: *Trimmer Russian President Hits the Ground Walking*

Continued from Page 1

campaign, tax revenues plummeted and the International Monetary Fund temporarily suspended its three-year loan program, although it has been resumed.

Mr. Yeltsin was scheduled to preside at a meeting of the government's emergency commission on tax collection, Mr. Chubais said, suggesting that Mr. Yeltsin's presence meant some big decisions would be made.

"To put it bluntly, there was some slackening off in some places," Mr. Chubais added, saying Mr. Yeltsin would take a "tough line." But he did not say against whom.

With what seemed to be a wishful sigh, Mr. Chubais said that with Mr. Yeltsin back in the Kremlin, there might be fewer attacks on him as the "regent," or power behind the throne.

"It is now clear to everyone that this is all nonsense designed to fall away of itself," Mr. Chubais said, saying it would be tossed aside like peel from an orange.

Mr. Chubais said Mr. Yeltsin "is in a vigorous working condition, in a mood for energetic work."

But Mr. Yeltsin's first day got off to a walk, not a run. He met with aides for several hours. Mr. Yeltsin telephoned Prime Minister John Major of Britain, and arranged for Mr. Major to visit Moscow. Mr. Yeltsin also thanked Mr. Major for "the increase in the volume of guaranteed loans" to Russia, the presidential press service announced.

Mr. Yeltsin drew brickbats once again from the Communist Party leader, Gennadi Zyuganov, who lost in the presidential race to Mr. Yeltsin in July. Mr. Zyuganov has repeatedly criticized Mr. Yeltsin as infirm and weak. But Mr. Zyuganov has been more cooperative lately with the government, voting to support the latest budget draft in the lower house of Parliament.

"Yeltsin is in no condition to resolve even a single issue facing Russia today," Mr. Zyuganov said. "Even when he was very healthy, he did not address a single issue facing Russia." He added: "The leader today needs to work 15 hours a day, every day, without days off. He should always be in the captain's station to make decisive decisions."

ISRAEL: *A Flurry of Diplomatic Activity*

Continued from Page 1

briefers and a top Arafat adviser, Mahmoud Abbas, met with Mr. Netanyahu at Jerusalem's King David Hotel.

Mr. Netanyahu said the meeting "was held in a very positive atmosphere" and "showed promise of advancement."

Mr. Arafat, early Monday, answered "maybe" when asked if he would meet Mr. Netanyahu on Monday night. But that encounter — sought by the Clinton administration, and by Mr. Netanyahu, for nearly two months now — remained just out of reach.

Since the eruption of violence in September in the West Bank and Gaza Strip, which threw Israel onto the defensive, Mr. Arafat has watched with satisfaction as much of the world blamed stalling by the new Israeli government for declining hopes of a negotiated peace. After waiting three humiliating months for a first meeting with Mr. Netanyahu, Mr. Arafat has lately been the one playing hard to get.

Dore Gold, a senior Netanyahu aide, said in a telephone interview, "The Israeli side has believed for a long time that the issues of substance dividing the parties are very few, and that what's holding up the agreement has been a political calculus of Mr. Arafat. It could be that calculus has begun to change. There's certainly a lot of forward movement. Whether we actually get to closure remains to be seen."

Mr. Ross, heading back to Israel from a meeting in Cairo with the Egyptian foreign minister, Amr Moussa, declared that there was "a new energy in the negotiations." Back in Jerusalem on Monday night, he said "there is still a lot of work to be done."

Palestinian officials, who consistently have been more pessimistic than their Israeli and American counterparts, offered a ray of hope Monday.

Nabil Abu Irdineh, Mr. Arafat's spokesman, said there were "new American proposals, some of them acceptable to the Palestinians." And Mr. Abbas, asked whether an agreement was imminent, smiled and said, "*Inshallah*" — if God wills it, an expression implying possibility and hope.

Israeli resentment of its recent isolation surfaced in a declaration by the Foreign Ministry's director-general, Eitan Ben Tsur, that it would propose a "code of conduct" for future negotiations with the Palestinians. It is "inconceivable," Mr. Ben Tsur said, that stalemated negotiations should lead to "uproar, acrimony, international activities and the like, as we have experienced the last few months."

Normalization with the Arab world, he added, is not a "prize" to be "subjected to the vicissitudes of the negotiations."

Egypt, Israel's first peace partner, has lately been seen as pressing a hard line on Mr. Arafat. Mr. Ross said he traveled there because Egypt is "a pillar of the peace process."

Mr. Moussa, in an interview with Israel's best-selling newspaper, was quoted as saying that Arabs are "losing their faith in peace."

In Hebron, Israelis and Palestinians have largely smoothed over old disputes about the size of a buffer zone to separate Jews and Arabs there, the weaponry to be carried by the Palestinian police and the conditions under which Israeli troops could reenter Palestinian neighborhoods.

Mr. Ross is trying to broker a package deal that would link the Hebron pullback to a timetable for further Israeli withdrawals in the rural West Bank, the first of which was promised for nearly three months ago and has yet to take place.

CITIZENS: *Elderly Immigrants Cram*

Continued from Page 1

questions selected from a possible 150, an oral interview and writing out two sentences dictated in English.

Becoming a citizen, from application to swearing-in, usually takes about six months, although with the rush of immigrants seeking citizenship to retain benefits, the process is taking longer in some areas.

Nowhere is that rush more evident than here, where everyone, it seems, is now a student.

"They have high blood pressure," said Dr. Vysoky, 75, who makes home-study visits to those who are disabled or ill or simply too weak to leave their apartments. "They have headaches. But they keep working. We have to help them."

The staff of Jewish Community Housing for the Elderly held a series of packed meetings in the auditorium, in Russian and Chinese, to explain the new law and to tell the tenants that they would do everything they could to help them.

Most of the immigrant residents receive about $500 a month in supplemental benefit payments — money that they learned they will lose if they do not become citizens.

At first not everyone wanted to study. "They were very angry," Dr. Vysoky said. "They said, 'Why do you bother me?' I had to explain to them: 'This situation is very serious. You have to be educated.'"

He continued: "A lot of people were in depression. They're now more calm."

The Russians arrived in America as refugees, many more than a decade ago, when the Cold War was being waged.

Fleeing communism and anti-Semitism in what was then the Soviet Union, they were welcomed through the pipeline that the government had opened for humanitarian reasons.

But now, with the Cold War over, the immigrants must cope with the reality that laws do change.

It is a confusing time. "We were happy that America wanted us," said Marianna Krayzman, a 74-year-old former doctor from Kiev, speaking through a translator. "Now we don't know what to expect."

Still, no one talks of going back.

"A big thank you to the country that gives us everything," Mrs. Milyvaskaya said, placing her hand over her heart as she burst into English the other day. "I am happy to live in U.S. It is a dream to be an American citizen."

But memorizing answers to the questions she may face on the test — What is the Bill of Rights? Who was the president during the Civil War? How many senators are there from each state? Where in North America were the 13 original American colonies? What does Congress do? — is not easy.

"I cannot remember what is in my refrigerator," Mrs. Milyvaskaya said. "I have to keep a list of what is in my refrigerator."

To that end, Mrs. Brusilovskaya was drilling one of her classes the other day in the 150 multiple-choice questions. "We eat, sleep and breathe these questions," she said.

Between You and Citizenship

Many elderly immigrants, concerned over recent federal legislation reducing welfare benefits to legal immigrants, are seeking to become full citizens. Below, some sample study questions from the test they must pass to do so.

1. The Declaration of Independence was written by:
   - A. Thomas Jefferson
   - B. George Washington
   - C. Alexander Hamilton
   - D. Benjamin Franklin

2. People who are not yet naturalized citizens may:
   - A. Own property
   - B. Travel on a United States passport
   - C. Hold public office
   - D. Vote in all elections

3. United States women received the right to vote from:
   - A. The Declaration of Independence
   - B. The original Constitution in 1789
   - C. An amendment to the Constitution in 1920
   - D. A law passed by Congress in 1935

4. Who was the United States President during the Civil War?
   - A. Andrew Jackson
   - B. Ulysses S. Grant
   - C. Theodore Roosevelt
   - D. Abraham Lincoln

5. In the United States, who may vote?
   - A. Only those who own land
   - B. Only those who pass a literacy test
   - C. Only residents
   - D. Only citizens who are of age

6. The issue of slavery was one cause of:
   - A. The American Revolution
   - B. The Civil War
   - C. World War I
   - D. World War II

Answers: 1 (A), 2 (A), 3 (C), 4 (D), 5 (D), 6 (B)

Source: Immigration and Naturalization Service

NYT

Austria Bans Corn Altered Genetically

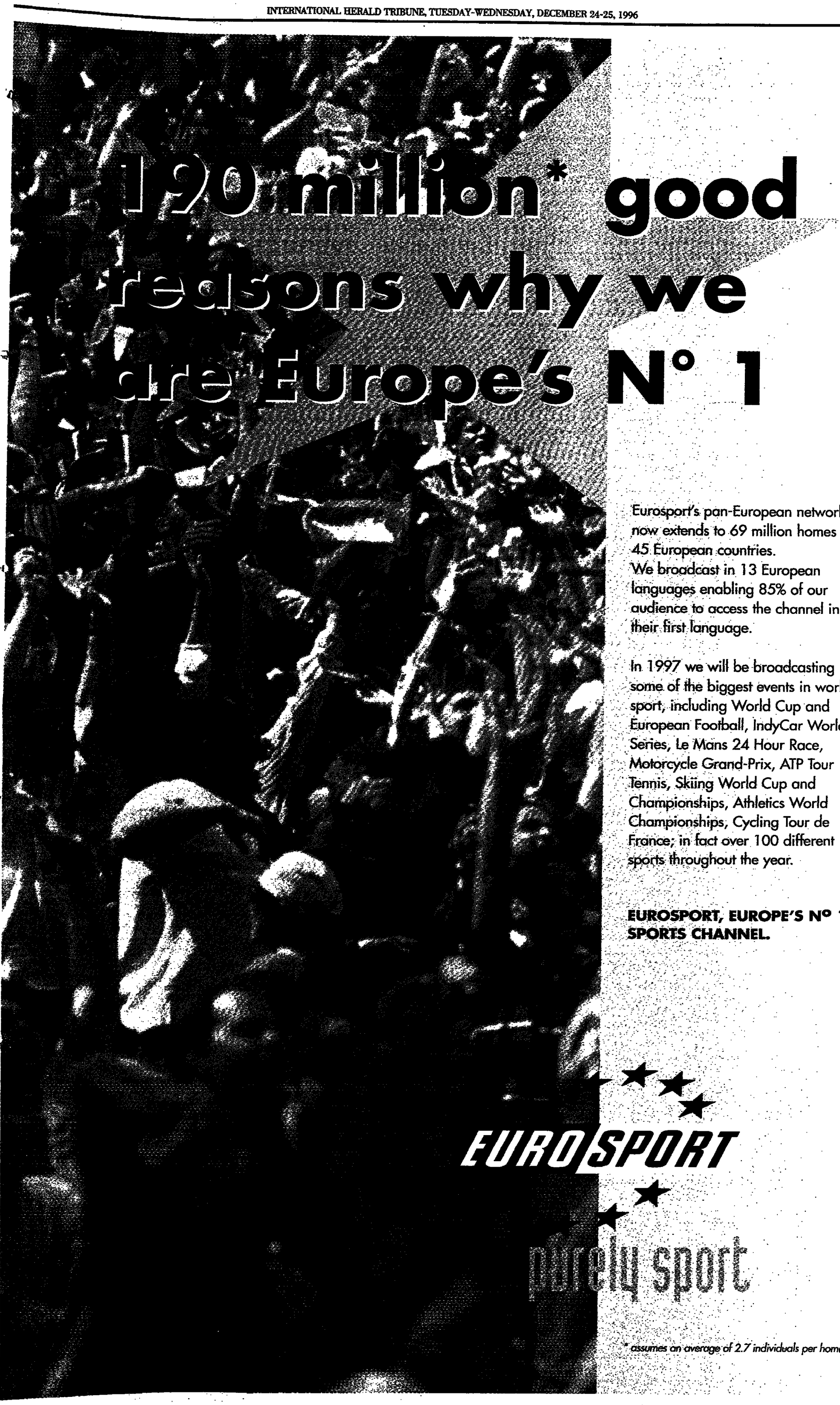
The Associated Press

VIENNA — The Austrian health minister has decided to impose an import ban on genetically modified corn, the ministry spokesman said Monday.

Last week, the European Union gave the go-ahead to genetically modified corn produced by the Swiss group Ciba Geigy.

But Health Minister Christa Krammer has determined that the workings of antibiotic-resistant ampicillin, used in production of the corn, has not been sufficiently tested, the spokesman, Michael Gerbavsits, said. The ban will probably go into effect on Jan. 8 or 9, he said.

Austria is using an EU provision that allows members to challenge EU decisions if they are believed to pose a risk to health or the environment.


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Herald INTERNATIONAL Tribune
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Naive, My Eye

Newt Gingrich, the House speaker, no longer claims quite to be innocent of the principal ethics charges that have stood against him for two years. Rather, he says, he was naive. But the suspect system that was set up and that is at the heart of the charges does not strike us as reflecting naivete — anything but.

The basic accusation against the speaker, when the side issues are stripped away, is that he set up an elaborate structure for converting ostensibly charitable contributions to political purposes, thereby circumventing both the tax law — charitable contributions are tax-exempt, while political contributions are not — and the law with regard to the raising of political funds. The structure was a maze of interlocking organizations meant to raise large amounts of money at one end, spend it at the other and leave only a blur between.

In the world of campaign finance, where there are no illusions, defenders and critics alike marvel at its sophistication. It's awfully hard to accept "naivete" as a defense in the creation of it. The speaker says he should have consulted a tax lawyer; others view the entire purpose of the system as being precisely to take advantage of a fuzzy spot in the tax law. Is it believable that neither Mr. Gingrich nor anyone else who had a role in establishing the structure understood the law that it was so skillfully circumventing?

In arguing naivete as well as failure to consult the right specialists, Mr. Gingrich offers a kind of variation on the now familiar Clinton administration defenses that all sorts of politically enriching but questionable things came its way as a result of inattention, inexperience, simple snafus, unwittingness and other forms of innocent oblivion of the dubious way it was achieving its desired ends. That's the kind of lapse the speaker agrees he made and to which he has been allowed to plead.

Mr. Gingrich acknowledges as well that he submitted misleading material to the House ethics committee in the course of its investigation of the structure he created. The point with regard to which the material was false was a central one, not a minor detail.

Here again, he makes the same kind of fashionable gosh-I'm-such-a-punk-manager defense, the one that holds that the principal beneficiary of the questionable activity was just too busy doing other high-minded things to have been involved in the nitty-gritty daily business of keeping an eye on the store. We have heard this one elsewhere recently too, and it doesn't sound any more plausible coming from the speaker.

As a technical matter, the House rule Mr. Gingrich is accused of having violated is the one that says no member should act in such a way as to bring discredit on the House. It is true that these are muddy rules the speaker is accused of having broken, and the ethics committee, evenly divided between the two parties, is a notoriously reluctant enforcer of them. That the Republicans on the committee went along signals that they found his conduct pretty seriously flawed. Mr. Gingrich makes the point that what he did was not for personal profit in the sense of lining his own pockets. That seems to be so and distinguishes his case from a long and seedy line of others, including that of former speaker Jim Wright, whom Mr. Gingrich himself was instrumental in bringing down. But to say that Mr. Gingrich did not personally profit from the system monetarily is not to say he was not its beneficiary; he plainly was.

The House Republicans still must decide whether to reinstall Mr. Gingrich as speaker. They have the votes. The preemptive exercise of the past few days is meant to create a political climate in which those votes can be safely cast. It is possible that in that limited respect the exercise will succeed. Our own sense is that, if it does succeed — if the thing is shoved back in the bottle and an aye vote ordered up — it will be the Republicans, not their gleeful Democratic opponents, who pay a mighty price. Our other guess is that after this, if Democrats were asked to choose which Republican the House majority should put in the speaker's job, their overwhelming, if not well-intended, choice would be Mr. Gingrich.

— THE WASHINGTON POST.

Kosovo's Plight

The political crisis that has filled Yugoslavia's streets with protesters for more than a month provides some hope for the forgotten victims of President Slobodan Milosevic — the 1.8 million Albanians who live in the southwestern region of Kosovo. Although 90 percent of the population, the Albanians are ruled in brutal apartheid style by the ethnic Serbs.

Mr. Milosevic began his ascent from Communist functionary to president with an emotional speech in Kosovo commemorating a Serbian defeat there in 1389, tapping into the Serbian sentiment that Albanians are outsiders on Serbian sacred ground.

Upon taking power in 1989, Mr. Milosevic began an ethnic cleansing of the Albanians, who had autonomy under communism. The Communist officials who controlled the government, schools and police were local Albanians.

The Milosevic regime fired them, and most Albanians employed in government and industry. Albanian schools are now outlawed. According to a new report by Human Rights Watch, the police detain or beat up dozens of Albanians every day.

Security forces have killed 21 Albanians in the last two years.

Ethnic Serbs, especially war refugees, are encouraged to go to Kosovo and take jobs from Albanians. Nearly 350,000 Albanians have emigrated.

An Albanian terrorist group began attacks this year, but the vast majority of the Albanians have chosen nonviolence. Their only local ally, the nation of Albania to Kosovo's south, is impoverished, with a feeble army. Its president, Sali Berisha, has refrained from inciting the Kosovo Albanians. That is important, because conflict in Kosovo could spill over into neighboring Macedonia and ignite a regional war.

The Clinton administration rejects the independence many Albanians want, but it has been Kosovo's main protector. It has made full respect for human rights in Kosovo a condition for lifting sanctions that keep Belgrade out of the World Bank and International Monetary Fund and block loans that could help revive its collapsed economy.

Mr. Milosevic has responded with some conciliatory talk on Kosovo, although so far it is only talk.

The top leaders chosen by Kosovo's Albanians have been reluctant to support the anti-Milosevic protests, in part because Mr. Milosevic's more nationalist opponents endorsed the Kosovo crackdown in the past.

But the nationalists have changed their rhetoric. In a protest rally earlier this month, one of their leaders, Vuk Draskovic, asked for a moment of silence for an Albanian teacher who died in police custody in Kosovo. The Kosovo Albanians have reason to be cautious, but their top leaders should recognize that Kosovo will benefit from a democratic country.

The Kosovo Albanians need continued resolve from Washington.

Economic ruin has fueled the protests, and Mr. Milosevic is desperate to get rid of the sanctions. No matter who ends up running Belgrade, Washington must continue to emphasize that sanctions will be lifted only if its conditions are met, including full rights for Kosovo.

— THE NEW YORK TIMES.

Other Comment

The Stuff of Life

The astronomer Carl Sagan was 62 when he died Friday. He had at least lived to see EETA 79001, a Martian meteorite in which some scientists see fossilized evidence of life. He long believed in life on Mars, but he was skeptical about whether the currently famous meteorite proved the existence of life on the red planet.

"Extraordinary claims," he said, "require extraordinary proof."

When he was a boy, he said, he would lay his head on a log or a pillow and stare into space, at "the cold, diffuse interstellar gas" that is "loaded with organic matter," the stuff of life.

As Vice President Al Gore said in homage Friday, "It is appropriate that the man who wrote the Encyclopaedia Britannica entry on 'life' should have taught us all so much about living."

— Los Angeles Times.

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Loss of Hope Could Cost the Middle East Dearly

By Anthony Lewis

JERUSALEM — Anyone who does not understand the feelings of frustration among Palestinians in the West Bank need only look at a map. The Palestinian Authority controls in full only scattered towns that make up 3 percent of the territory. It shares responsibility for security in a further 24 percent. The rest remains in Israeli hands.

Behind the map lie daily obstacles in life. Roads closed to Palestinians make it difficult to get from one town to another.

Occasionally there are worse indignities. The Israeli human rights group B'Tselem reported last week that Israeli security forces in Hebron had subjected 15 Palestinian women to strip searches — for purposes of humiliation, the report said.

Prime Minister Benjamin Netanyahu and his right-wing Israeli government did not create the map. Shimon Peres, as foreign minister in Yitzhak Rabin's Labor government, was the tough negotiator who obtained those terms for interim arrangements in the Oslo negotiations.

Yet Palestinian feelings of helplessness and resentment have boiled up in the six months since Mr. Netanyahu won the Israeli election. Why? The answer to the question goes far to explain the current tension — the dangerous tension — between Israel and the Palestinians.

Yasser Arafat and his colleagues accepted painful interim arrangements because they trusted Mr. Rabin, Mr. Peres and the other Oslo negotiators. They believed that, difficult as the negotiations had been and would be, the other side genuinely wanted an outcome with honor for both. They hoped, with reason, that in the end Palestinians would have a state of their own including most of the West Bank and Gaza.

The trust has gone since Mr. Netanyahu took over. And so has much of the Palestinians' hope for a final status agreement that would give them a meaningful national home. Instead there is a growing fear that Mr. Netanyahu has in mind for them something not much different from the interim Oslo arrangements under which they live today: in short, limited autonomy in a number of enclaves with Israeli settlements expanding around them.

When Mr. Netanyahu talks enthusiastically about settlements, he touches the most profound Palestinian fears. He responded to the recent terrorist outrage, the drive-by murder of two Israeli settlers, by announcing that he would restore financial subsidies for the settlements. He explained to the world that this was a carefully limited response, but Palestinians did not see it that way at all.

They saw it as the sign of an intention to take more and more of their land.

Again, Palestinian leaders known for their caution and responsibility warned of an explosion if Israel went ahead with a plan to build 132 apartments for Jews in a Palestinian area of East Jerusalem. The land for this project was bought by a Miami millionaire, Irving Moskowitz, who has used a supposedly charitable fund financed by bingo games to acquire land in Palestinian sections of Jerusalem.

The West Bank and East Jerusalem are a tinderbox today. And my impression is that Mr. Netanyahu does not understand — or will not admit to himself — why this is so.

When I interviewed him a week ago, he said Palestinian leaders were plotting "renewed bouts of violence." He seemed to have no idea of how ordinary Palestinians feel today. And an understanding of feelings on the other side is essential if a leader wants to negotiate a stable solution to conflict.

Mr. Netanyahu reminded me of a time, years ago, when I interviewed Mr. Arafat in his exile headquarters in Tunis. It was during the *intifada*, and Mr. Arafat pointed to the telephone on his desk and said he was giving the orders in the intifada. The truth was that the revolt arose not from him but from the frustrations of Palestinians living under occupation. That was what gave the intifada its power.

And so today the danger arises not from Mr. Arafat's giving orders. It comes from Mr. Netanyahu's depriving the Palestinians of hope. Not just them but Israelis, too.

In six months Mr. Netanyahu's policy, or lack of it, has reversed the dramatic steps toward peaceful relations among Israel, its neighbors and other Arab states from North Africa to the Gulf.

Until Israel and the Palestinians relate to each other in mutual respect, there can be no peace. That is the price of lost hope.

The New York Times.

Coercion Won't Separate Settlers From Israel's Patrimony

By William Safire

WASHINGTON — "I am a sojourning settler with you," said the patriarch Abraham to the Hittites, in Robert Alter's illuminating new translation of the Book of Genesis. "Grant me a burial holding with you ..."

His wife, Sarah, had died "in Kiriath-arba, which is Hebron, in the land of Canaan." Ephron the Hittite offered Abraham a grave site free, but the patriarch insisted on paying for a cave in the far end of the field. Ephron then made a package of the cave and the field and asked an exorbitant price — 400 shekels of silver. Without bargaining, Abraham paid the asking price for the land.

Why pay for a burial plot when it has been offered as a gift? "Ephron, of course, knows what Abraham really wants," explains Mr. Alter, "is to be able to buy the land and thus acquire inalienable right to it." Though promised the land by God, the patriarch paid dearly because he wanted his descendants to avoid future legal argument from men.

Does a biblical property transaction, recounted in such detail thousands of years ago, still hold? At least a few hundred modern "settlers" who re-established Kiriath-arba in Hebron believe that it does, and put their lives on the line by living there, near the Cave of the Patriarchs, amidst Arabs angered by their presence.

You don't have to be a fundamentalist or a fanatic to understand the depth of feeling that attaches some deeply religious Jews to that place. Their determination to remain in hostile Hebron is a central symbol of one persecuted people's unique survival through the millennia.

One reason Jewish Israelis voted decisively to elect Benjamin Netanyahu was to ensure that the residents of today's Kiryat Arba could bear witness to that continuity without getting massacred, as settlers were a few generations ago.

To protect their lives, even as most Israeli troops withdraw from Hebron, Mr. Netanyahu suggested some reasonable security modifications — making it harder, for example, for potential snipers to zero in on children — in the agreement too-eagerly reached in Oslo. Shimon Peres considered Hebron and other outposts to be impediments in his plan to purchase peace at the price of delivering almost all the West Bank to a Palestinian state.

Although unease among Jews has risen since Palestinian police used weapons supplied by Israel to fire on Israeli troops, Yasser Arafat has rigidly refused to compromise. That's because his goal is not to live in peace with Israelis in the West Bank, but to marshal world opinion to drive all Jews out of "his" territory.

Mr. Netanyahu, recognizing that motive, has shown his resolve by restoring economic aid to Israelis who dare to live in hardship areas.

That led the blame-Israel set in the United States, led by President Jimmy Carter's Zbig Brzezinski and President George Bush's Jim Baker, to entice President Bill Clinton into settler-bashing. Mideast experts like George Shultz, Sol Linowitz and Henry Kissinger were not roped in by Mr. Baker, but when a reporter then shouted a question to the president about settlements, Mr. Clinton accepted the premise that they were "obstacles to peace."

He erred. Perhaps he thought that the questioner meant "new" settlements, which would surely upset negotiations, but to assert a U.S. position that the present settlements should be uprooted would be an intrusive blunder.

Even the Rabin-Peres government oversaw the "thickening" and growth of present Israeli West Bank towns and Mr. Clinton needs to get out of the trap set for him.

The peace that cries out to be reached has about 70 percent of the disputed land Arab, the remainder Israeli. Arab families would continue to grow in contiguous Palestinian settlements, under their own flag, and Israeli settlers, including immigrants, would be fruitful and multiply in their own.

But the road to war is to encourage Arabs to believe that world pressure can drive Jews out of all the West Bank and establish East Jerusalem as capital of a Palestinian state.

That will not happen. Beating up on Benjamin Netanyahu, or demonizing settlers in Hebron, or threatening another *intifada* if Jews build homes in any part of Israel's undivided Jerusalem — no such coercion will make it happen.

The popularity of Israel's present government may suffer as it resists pressure to part with the nation's patrimony. Mr. Netanyahu's reward will come when his unfashionable realism delivers durable peace.

The New York Times.

Working Together to Build Europe's New Security Framework

By Klaus Kinkel

The writer is Germany's foreign minister.

BONN — The new European security architecture is founded not on deterrence but on security partnership. It will be based on a new division of labor among radically reformed multilateral organizations:

• *The European Union.* Enlargement will enable the EU to export security and stability to the East and South. In addition, the EU should itself develop a capacity to act in the field of security policy.

• *The "new NATO."* It will constitute the military core of the new security architecture and maintain the trans-Atlantic link. NATO's prime challenges are internal adaptation, admitting new members and establishing a special partnership with Russia and Ukraine.

• *The Organization for Security and Cooperation in Europe.* The OSCE is the forum in which all European states participate as equal partners in the decision-making process. Its strength lies in preventive diplomacy but also, as in Bosnia, in building civil societies.

The new security architecture must do much more than assure military security. Today the task of the armed forces is primarily preventing regional conflicts, as well as containing and resolving crises. Our main concern is shifting the focus from questions of force levels, weapons systems and nuclear arms to political, economic, social and ecological issues. The best way to prevent conflicts is to promote the development of stable and cohesive democracies.

Until recently the many strands making up the fabric of European security remained more or less separate. Our focus now must be on weaving them together. We must establish closer ties and a coherent division of labor among the different institutions, with each concentrating on what it does best and complementing the work of others.

Bosnia showed the way, for it proved possible to consolidate the Dayton peace agreement thanks to the successful collaboration among NATO, the OSCE, the EU and other organizations.

By the end of the year we will have completed an intensive series of conferences. It is no coincidence that the OSCE summit meeting in Lisbon came first. By affirming that there shall be no new dividing lines in Europe, the meeting sent out an important signal. All states, including Russia and Ukraine, are to take part on an equal footing in designing the European security architecture. No country is to be marginalized or left out, no new "gray" security areas are to be created.

Lisbon drew up a security model for the 21st century, a blueprint for cooperation among the organizations involved. The key point is: There will be no hierarchical relationships. Instead, our aim is to create a pattern of interlocking, mutually reinforcing organizations. The summit declaration explicitly reaffirmed the right of each participating state to choose or change its own security arrangements, including treaties of alliance. Another important outcome is the decision to adapt the treaty on conventional armed forces in Europe to the changing security environment. During the negotiations, to begin in January, the parties will, at Moscow's specific request, exercise self-restraint with regard to military issues.

The summit meeting scheduled for July 1997 will mark NATO's transition from a pure defense alliance to the key pillar of the new European security architecture. This will entail adapting its command structure, opening negotiations with the first group of candidates for accession, enhancing cooperation with others and developing a special security partnership with Russia and Ukraine.

In the new Europe, Russia and Ukraine must have a place commensurate with their size and importance. At my suggestion, the alliance has proposed to Russia a charter putting partnership on a permanent footing. It will invite Moscow to play a full and equal part in a new NATO-Russia forum to discuss security issues. To this end, I have suggested that the "16 plus 1" formula evolve into a new consultative body composed of 17 equal partners. I am pleased that the Russian government is ready to start concrete talks on this.

The European Council at Dublin was a further step in the Intergovernmental Conference process. Its outcome will be made final at the Amsterdam summit meeting in June. The EU will seek agreement on a reform package enabling an enlarged Union to remain effective and develop new fields of integration. A crucial point will be to incorporate a flexibility clause into the Maastricht treaty, allowing a limited group of member states to make further progress toward integration. For the EU, even more than for NATO, enlargement is tantamount to preventive security policy, for membership in the Union will stabilize reforms inside societies throughout Europe.

The EU should itself develop a capacity to act in the field of security policy. Our citizens would soon lose faith in the Union if it ignored security. Germany therefore advocates strengthening and expanding the Western European Union, the EU's defense arm, and improving its institutional links with the EU, so as to create a European security policy in close association with NATO.

The creation of a new security architecture for the whole of Europe is a task that in scope and complexity fully bears comparison with the Congress of Vienna or the postwar settlement after 1945. It calls for vision, wisdom and steadfastness.

We have started well. Let us not falter.

International Herald Tribune.

Mary: Not Just a Doting Mother

By Colman McCarthy

WASHINGTON — No Christmas song is older, nor freer of seasonal syrup, than the Magnificat, the canticle of Mary as recorded midway in the first chapter of St. Luke. It is both a faith statement — God "who is mighty has done great things for me and holy is his name" — and the prophetic cry of a passionate dissident excited about changing the political and social order of her times.

Mary sings of her God who "has scattered the proud in the conceit of their heart. He has put down the mighty from their thrones and exalted those of low degree. He has filled the hungry with good things, and the rich he has sent away empty."

This is the tone of a woman who has a taste for the revolutionary, a woman of impatience who sees the overthrow of the rich and powerful as a cause for celebration. Her religion is centered on a God of the powerless, those abused as a matter of course by the throned and their backers.

Only a few centuries were needed for the church fathers to filter out this rebelliousness. The mother of Christ was repainted in prettified images, and theologians encased Mary the peasant woman of Nazareth with dogmas. By order of an 1854 papal bull, the Immaculate Conception of Mary became a binding dogma of faith. In 1950, another papal decree ruled dogmatically that Mary, "when the course of her earthly life was run, was assumed in body and soul to heavenly glory."

If anyone has a claim to being the most faithful follower of the New Testament Mary and her approval of social upheaval in the Magnificat, it is the 90,000 women currently in the church's religious orders.

In the 1960s, both the Immaculate Heart of Mary Sisters of Los Angeles and the Glenmary Sisters of Cincinnati came up against the male-centered conservatism of local bishops. Empowered by the renewals of the Second Vatican Council, large numbers of sisters in both those orders left to form their own communities and directly serve "those of low degree."

In the newly published "Poverty, Chastity and Change: Lives of Contemporary Nuns," Sister Ancilla Maloney, a high school teacher in the Bronx and a member of the Immaculate Heart of Mary order in Scranton, Pennsylvania, wonders about the current power structure of the church.

"I think they've made a lot of mistakes in terms of being dogmatic, when we're still searching for the truth. It breaks my heart to learn of more and more people who are leaving the church because they're not finding community, they're not finding compassion, they're not finding good strong leadership in the ways of the gospel. I don't have all the answers. The issues are really complex, but sometimes, many times, I just ask the question, 'What would Jesus do?' "

Or Mary, who had a notion or two about hierarchies.

Washington Post Writers Group.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Cuban Measures

WASHINGTON — Officials of the Administration and of the Spanish Legation take a more pacific view of the Cuban situation than for a long time. The Spanish Legation received a cable from Madrid which authorizes assurances to be given to President Cleveland's Administration that the long-promised reforms for the autonomy will soon be inaugurated. There are indications that negotiations will soon begin between the United States and Spain for the establishment of peace in Cuba.

1921: Collins's Speech

DUBLIN — "The future of Ireland is in her own hands as never before, and if we are strong enough to hold our own, we shall go through triumphantly to the end," said Mr. Michael Collins, Ireland's peace-making hero in what might be Ireland's Christmas message of hope to her friends in the outside world. "I can only say that the rights established for Ireland by the article of the treaty do give this country a starting-point."

1946: Viet Nam Siege

PARIS — Reports from Indo-China indicated that the Viet Nam forces were operating on an open warfare basis. Martial law has been extended to all of Tonkin and northern Annam. Premier Léon Blum underscored the gravity of the Far Eastern warfare by telling the National Assembly: "It is possible that within a few weeks the situation will become more complicated." Hanoi, capital of Viet Nam, was still under fire, and the southeast Annamite section of the city was still held by Viet Nam forces, with French Spitfires spotting and dive-bombing native artillery posts.

OPINION/LETTERS

Masters of the Universe Fly What They Sow

By Robert Kuttner

WASHINGTON — The 7 A.M. USAir shuttle to New York is full. It is a bone-chilling, foggy December morning. The overhead compartments are crammed with heavy coats and luggage. Even though this is practically the first flight of the day, it is already running late.

Squeezing into one of the last empty middle seats, I find that the man in the window seat has jammed two suitcases into my legroom. "Sorry," he says with a shrug. "The overhead bins are full. I have no place else to put them."

He is wearing a very expensive suit, and working on a spreadsheet. His manner is entitled and disdainful.

Most of the other power passengers on this flight are in a similar mood, miserably cramped and up too early. The 7 A.M. shuttle, frankly, is a pit, and the clientele are pit bulls.

The people flying the shuttle are mostly what the novelist Tom Wolfe called Masters of the Universe. Except for a few stray tourists, students and the odd journalist, the passengers are investment bankers and lawyers, tycoons and politicians, flying on important business.

These people are accustomed to taking up space. They work in airy, well-lit offices, dine in nice restaurants, stay in comfortable hotels and avoid public transit in favor of taxis or limos. But when it comes to flying among Boston, New York and Washington, they suffer the same cramped misery as the hoi polloi.

Why would any self-respecting ruling class put up with this?

Here we have an epic case of what economists term market failure. The same corporations that think their leaders work more efficiently in spacious, even elegant, offices can't find a way to get them between Boston and New York in minimal comfort.

This business elite brought us an age of competition and deregulation as the solution to economic ills. So if you don't like the USAir shuttle, you can always fly another airline. But good luck. The Delta shuttle has nearly identical conditions and charges the identical $176 one-way fare.

In theory, competition solves the problem of outrageous prices and rotten conditions. But the antitrust authorities have unaccountably decided it is just coincidental that the two competing airlines charge the same fare.

At this price, the airlines gross almost a dollar per passenger seat-mile. The shuttle may be a pit, but it's a money pit.

My son lives in New York. His fiancée lives in London. It is literally cheaper for him to fly the 6,000 miles round-trip to London to see her than to fly the 380 miles round-trip to Boston to see us.

Economic theory says that whenever a seller provides a lousy product at an excessive price, a new competitor will enter the market. In principle, one new airline might come in, offering the same service at a lower price, while another might offer reserved seats, more legroom, maybe even hot meals and a business section. This is called market segmentation.

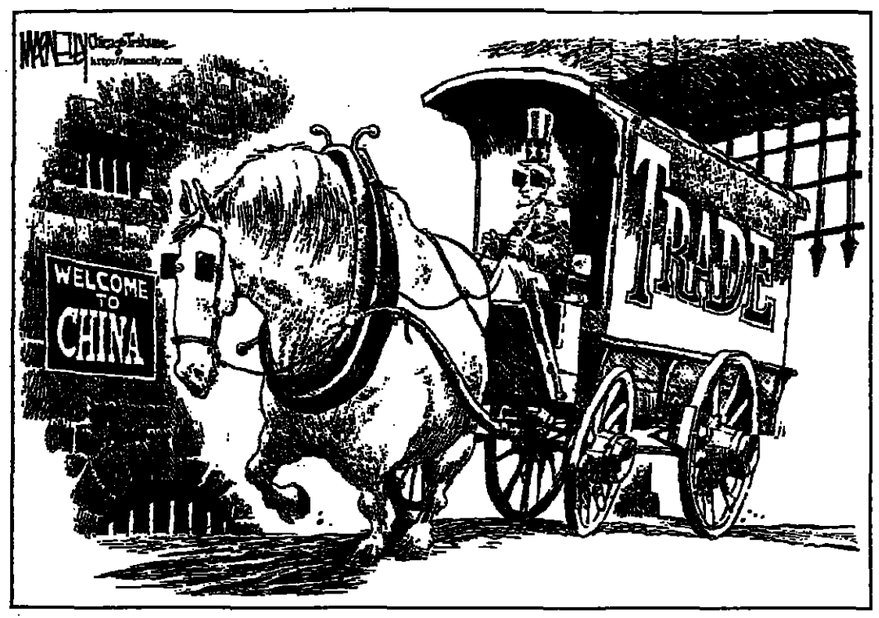
But despite airline deregulation, New York, Washington and Boston don't have gates and landing slots to spare for new competitors. So USAir and Delta continue to enjoy a comfortable duopoly, charging whatever their rigged market of long-suffering commuters will bear.

Between Los Angeles and San Francisco, twice the distance of New York-Boston or New York-Washington, the fares are cheaper —$109 one way — because there is real competition.

Economic theory also says that frustrated consumers will turn to close substitutes. Well, the express train from Boston to New York takes four hours — more time than it did in 1910. (The Washington-New York run at least cuts into the shuttle's market share with somewhat faster Metroliners.) A limousine from Boston to New York is cheaper than the shuttle, but is also time-consuming.

Perhaps it is salutary for Masters of the Universe to spend an occasional hour in the sardine-can misery that afflicts ordinary commuters, contemplating the limits of entrepreneurial solutions. Indeed, any ruling class that can't figure out how to solve the Northeast corridor transit problem, either with competition, regulation or bullet trains, deserves what it gets — a seat on the shuttle.

Washington Post Writers Group.



LETTERS TO THE EDITOR

NATO and the East

Regarding "A Bigger NATO Would Create the Problems It Seeks to Prevent" (Opinion, Dec. 19) by William Pfaff:

The list of problems that might be generated by the enlargement of NATO would not be complete without mentioning the following possibilities: collapse of the 1990 treaty limiting conventional forces in Europe; discontinuance of the reduction of strategic nuclear armaments under the 1991 START Treaty; denunciation of the 1987 ban on intermediate-range ballistic missiles, and reintroduction of tactical nuclear weapons withdrawn from Europe a few years ago.

The need of Central and East European states for binding security assurances is understandable, but it could be effectively met by a nonaggression pact to be concluded by the members of the Organization for Security and Cooperation in Europe.

The planned eastward expansion of the Western military alliance is bound to antagonize Russia, Ukraine and Belarus and undermine the security of all European states.

JOZEF GOLDBLAT.
Geneva.

Regarding "NATO Expansion?" (Editorial, Dec. 13) and "A Bad Night in New York for NATO Enlargement" by Richard Cohen (Opinion, Dec. 13):

I was gratified to read these two texts, both arguing against NATO's eastward expansion. I believe I am not alone among Hungarians in thinking that American soldiers should not die for Budapest, just as Hungarian soldiers do not wish to die for Kansas City.

Recent polls have indicated that a very sizable chunk of the Hungarian population does not wish to join another military block just a few years after Hungary left the Warsaw Pact. This is not to mention the exorbitant cost of joining NATO for Hungary, where many pensioners go without heat and electricity on the equivalent of $55 a month. Besides, which country would attack Hungary? Croatia? Slovenia? Or, perhaps, Austria?

ISTVAN LOVAS.
Bicske, Hungary.

Nuclear Safeguards

Regarding "Nuclear Terror: Not 'If' but When" (Opinion, Nov. 23) by A.M. Rosenthal:

The nuclear material situation in the former Soviet Union is very problematic. There are still reactors producing plutonium in Siberia that cannot be shut down because they are needed for power.

Political stability cannot be imposed on any country, but adequate safeguards can be devised to deal with any but extreme problems.

If the United States truly considers this a problem, then it could go a long way toward solving it by spending less than 10 percent of what the Republicans want to spend on anti-missile defenses to improve storage, disposal and safeguards in Russia.

JACK CRANSHAW.
Trieste, Italy.

Plutonium Risk

Hans Koning (*Letters, Nov. 27*) writes that 200 grams of plutonium is in principle enough to kill all life on Earth.

According to the 1982 report of the United Nations Scientific Committee on the Effects of Atomic Radiation, between 1945 and 1980 nuclear explosions dispersed about 2.8 tons of plutonium-239 over the globe. Still, life exists.

ZBIGNIEW JAWOROWSKI.
Warsaw.

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At Midpoint in America, It's a Complicated Life

By Ellen Goodman

BOSTON — So why am I spending another holiday season in Bedford Falls rather than, say, Disney World? How did "It's a Wonderful Life" become the ultimate Christmas classic, leaving even Rudolph the Red-Nosed Reindeer in the shadows?

It's exactly 50 years since George Bailey, small-town banker

MEANWHILE

and self-described failure, first contemplated cinematic suicide on Christmas Eve. The dark journey through his disappointed dreams doesn't seem like a deck-the-halls sort of flick. No amount of colorizing could make this a joyful palette until the angel Clarence leads George on a tour of what Bedford Falls would have been like without him. As Jimmy Stewart once said, Frank Capra "made you pay for the happy endings."

A half-century ago, the movie was considered too grim for the season. The year 1946 brought the first real postwar Christmas in America, when there was finally enough chocolate on the shelves and cars on the lots. Capra's film was rushed into theaters because the utterly forgettable "Sinbad the Sailor" was behind schedule.

Many of the reviews were less than boffo. The New Yorker said the dialogue was "so mincing as to border on baby talk." The New York Times described the movie as a "figment of simple Pollyanna platitudes." Some filed away it under "Capra-corn."

Nor did the audiences make it a runaway success. This celebration of the man who stayed home in his small town played at a time when veterans were loading up the cars and heading for Chicago or L.A. Here was a film about the value of small, daily struggles in an era of released ambition and surging optimism. It was not until the '70s that the movie became a holiday tradition and the '90s that it became a certified classic that resonates more with our times than with its own.

Jeanine Basinger, who runs the cinema archives at Wesleyan University, has a hunch that the movie fits this season like a mitten because "people are evaluating their own lives at Christmas and New Year's." She says: "George Bailey is the guy who wanted more from life, he wanted to get out of town, do exciting things. Instead he has what a lot of us have at holidays, a job, a family, a house that's falling apart."

Michael Medved, a cultural critic, thinks it fits our era because America has gone through the same tour that George took with Clarence. "We've seen an alternative universe," he says, "seen what blight and hopelessness look like and now want to come home to Bedford Falls."

At the risk of adding to the gloom, my own sense is that "It's a Wonderful Life" is a midlife movie. In the '90s, a whole generation has hit midlife. And so has the country. The possibilities of America once seemed as limitless as an unopened gift box. But today we talk more about stewardship than starting fresh.

If there's a word that comes up with middle-aged persistence, it's responsibility. What Capra does is to make responsibility seem heroic rather than dull.

Do the emotional seams show in this movie? Of course. The film noir sequence when the banker-hero sees Bedford Falls as an X-rated Pottersville is a touch campy for my modern eyes. Would Donna Reed's Mary truly have become an old-maid librarian but for the grace of George?

As for the notion that a missing person "leaves an awful hole," in Clarence's phrase, is it too skeptical for the season to ask how wide a hole? For how long? It takes an angel, albeit "second class," to convince George that his life mattered. But this is a movie, not an existential play. It is Capra's intention to find meaning in midlife. He caps the long night of George's soul with the happy ending of a full-tilt town love fest that has since tapped a half-century of good feelings.

The bad guy of Bedford Falls doesn't get his comeuppance. The good guy will have next year's creditors to meet and kids to raise. He may never slough off his yearning or his doubts.

But in this era when superheroes are killing machines, those of us who also yearn and face limits go back and back again to see George Bailey create a decent life. Who can fault a movie that calls such a life wonderful?

The Boston Globe.

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Style

Christmas Dinner at Tiffany's: Tips From a Tastemaker

By Suzy Menkes
International Herald Tribune

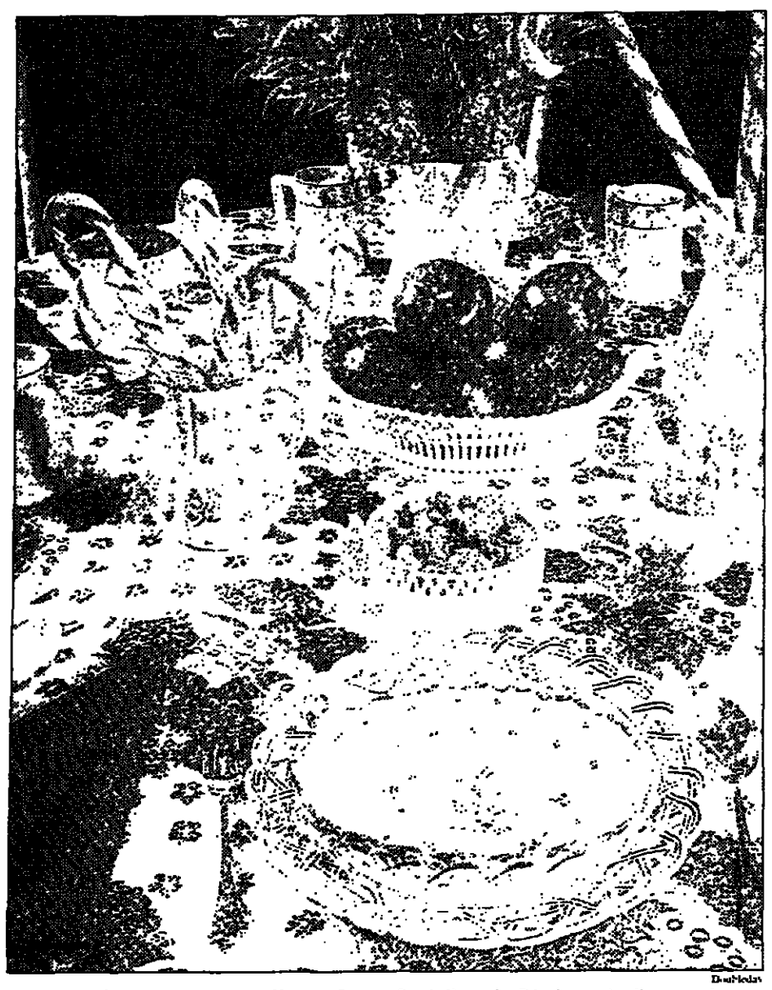
NEW YORK — The Duke of Windsor had a phrase for the bucolic Edwardian Christmas of his royal childhood — all groaning tables, barons of beef and flunkies with silver trays proffering plum puddings. He called it "Dickens in a Cartier setting."

To capture the flavor of the upscale American holiday season, think Edith Wharton interpreted by Tiffany: crisp red-and-white table cloths, sparkling crystal glasses, fat white candles in sculpted silver candlesticks, plates circled with wine-red flowers.

"The table is a place of ceremony — a domestic altar and the last great daily ritual in life," says John Loring, design director and tastemaker of Tiffany. "The stage is set to play a role and people need props and accessories."

And there they are, laid out in succulent splendor on the pages of "A Tiffany Christmas" (Doubleday), the last of a series of books Loring created with the late Jacqueline Onassis, who was choosing the images just before her final illness.

If you want to know how to create a tasteful tree, there are molten-gold satin ribbons, gilded pine cones and striped candy canes, but definitely no tinsel. Kids driving you mad with their electronic toys? Then escape in your imagination to Anne Bass's children's party where the tree is garlanded with popcorn, the gingerbread men are perfectly chiseled and crackers are laid out beside china "handpainted in the Austrian Tyrol." Bored with turkey, pheasant and goose? Then try Bill Blass's Connecticut Christmas, where a "designer meat loaf" and "baked russet potatoes" are served up on green-and-white plates on a waxed wooden table.



A children's table set with Tiffany "Green Sprig" and "Biedermeier" potteries.

THE book is a vision of a mythical world: May all our Christmases be right and all the gifts wrapped in Tiffany's blue-sky boxes. Or, as Andy Warhol put it in his 1976 diaries (one of the Christmas commentaries that punctuate the text): "It was a magazine Christmas — the decorations and the food and the house were just like a spread in McCalls or House and Garden, like what a house should look like on Christmas." Warhol even contributed to Tiffany in the '60s by designing Christmas cards.

Ten years in the making ("because we never had enough Christmas pictures"), the book is intended both as a style manual and as a social document, like the Loring-Onassis "Tiffany Parties" that was published in 1989 and is a monument to the opulence, glamour and ostentation of the era.

Did Onassis really, as Loring suggests, "edit every word and line" of that record of lavish parties? (Think one million flowers for one night at the Waldorf Astoria and floating tropical gardens in a Beverly Hills swimming pool for a Hawaiian ambiance.)

"I've never seen anyone give greater attention to detail," says Loring. "When she saw the pictures of a Thanksgiving dinner at Nashville, Tennessee, she said, 'I wouldn't want Caroline to think that you are supposed to put sweet potatoes in orange peel.'" The picture went.

It is hard to tell whether Loring is admiring or ironic. He has an eager, boyish enthusiasm that seems quintessentially American, coupled with a European sophistication. (He spent his childhood on a ranch in Arizona and a decade of his youth in Paris and London.) What is certain is that he is the aesthetic eye behind Tiffany, where he has worked for 18 years, and has thus presided over a period in which annual revenues have risen from $700,000 to $1 billion. Yet the image of the store still retains its lighthearted, whimsical "Breakfast at Tiffany's" image.

The expansion mirrors the development of the luxury industry over the last decade, as what was once the preserve of the carriage trade became everybody's aspirations. Or, as Loring puts it, "the plot and the audience broadened."

His own early memories of Tiffany were of going to the Fifth Avenue store at Christmas as a teenager with his mother and finding it "vomiting crystal, lethal-weapon vases, very confused and ugly 1950s things."

Contrast that with today: pyramidal topiary and circles of greenery (tasteful Christmas decorations) rising above the jewelry counters with their glistening black pearls and the bold and colorful designs of Elsa Peretti and Paloma Picasso (a Loring protege since they were both in Yves Saint Laurent's set in Paris in the 1970s).

Loring started his design career as an artist — as testified by the mural he painted in 1973 in the U.S. Custom House at the World Trade Center in New York. He was also an avid collector of Old Master prints and drawings from his earliest days as a student at Yale and at the Ecole des Beaux Arts in Paris. Now, all his artistic energy and knowledge go into Tiffany, where every single piece of merchandise, from silver cufflinks through a cache-pot hand-painted in Paris, is filtered through his sensibility. He has been actively involved in many of the creations, like the best-selling Atlas watch, its design taken from the clock shouldered by Atlas on the facade of the Fifth Avenue store.



John Loring, Tiffany's design director, admits that he is "hopelessly romantic."

If the store itself has inspired him, that figures — for he describes the building (and Tiffany itself by implication) as "a triumph of streamlining" based on a transportation aesthetic.

"It is the contribution America made to design," says Loring. "It is not a school of ornamentation or surface texture. It is pared down, debonair, dapper. And Tiffany is the American aesthetic — the supreme court of taste in America."

Loring's contribution has been to create an artistic patrimony for Tiffany, making new product categories seem to be part of the overall image, and thus to direct the emporium of decorative arts toward the future. He works with the world's silversmiths, ceramicists, china and glass manufacturers to encourage them to create new arts and crafts worthy of Tiffany.

"I understand how to orchestrate craftsmanship," he says.

CREATING the myriad objects sold in 100 stores worldwide and through the catalogue might seem a heavy responsibility, but Loring wears it lightly. He uses his enthusiasm for cooking and entertaining and his brisk social life to give vitality, relevance and modernity to what goes on sale or on display in table settings that are meant to reflect the modern world.

What is modern? He produces a faded photograph of the Duchess of Windsor partying in the 1950s to show how imaginative in contrast the current tables seem, with their colorful linens and settings and "tidal waves and avalanches of exotic flowers."

So it is with the modern Christmas — which, Loring claims, is an American phenomenon. "A Tiffany Christmas" features English aristocratic settings like the Marquess of Bath serving kedgeree at Longleat House and Christmas morning breakfast in bed with William Waldorf Astor at Cliveden Place (a pearl necklace replaces the well-stuffed stocking). But the most classy decors are Susan Gutfreund's St. Nicholas breakfast (heart-shaped silk pillows and beluga caviar) and the 1984 holiday dinner at Gracie Mansion for Ed Koch, then mayor of New York.

These vignettes of so-called "modern" life remain traditional — no stainless steel Christmas trees or high-tech interiors.

If the world of art and design is divided between romantics and classicists, where does Loring — and therefore Tiffany — stand?

"I'm hopelessly romantic," he replies. "But I have a knowledge of what's classic."

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In Vegas, a Manhattan Transfer Winks at the Strip

By Benjamin Forgey
Washington Post Service

LAS VEGAS — The '80s never ended in this crazy desert town. The boom didn't stop. Instead, the parade of casino-hotels along the fabled Strip grew longer and ever more fanciful.

Nor is there a halt in sight. The coming year will begin as every new year has for nearly a decade — with the opening of yet another gigantic gambling den with beds (and much, much more) attached. There were more than 16,000 hotel rooms under construction during 1996.

New York New York — next year's early addition to the Strip, opening Jan. 3 — is not, relatively speaking, all that big. Though with 2,100 rooms it comfortably outsizes the Sheraton Washington, the capital's biggest hotel, it's a pipsqueak in the new Vegas. It stands right across the Strip from the MGM Grand, which weighs in at more than 5,000 rooms and is said to be the largest in the world.

But the new hotel makes up in exclamatory image what it lacks (if that is the word) in size — it cuts through the dry desert air with a crisp silhouette of the Manhattan skyline, complete with replicas of the Chrysler and Empire State buildings (but for some reason no World Trade Center), plus a roller coaster and the Brooklyn Bridge.

With the parched mountains of southern Nevada etched against a big sky as a background, New York New York is a strange sight. These are precisely the qualities its architect and developers were looking for. Because of that image, Neil Gaskin, the architect, predicts the casino-hotel will be the city's "biggest, most successful attraction for a long, long time."

IT is clear that the old commandment of commerce on the Strip — build bigger and brighter than the competition — is still in force. The Strip remains the epitome of that most American of 20th-century spatial constructs, the commercial strip shopping center. As the author Alan Hess has noted, it is a nonpareil "outdoor museum of American popular culture."

But the mighty Vegas Strip has changed mightily. Along with bigger and brighter, the idea is to make your product into something like the biggest billboard in the world. New hotels such as New York New York, Luxor (a pyramid larger than any in Egypt, and made of glass to boot) and Excalibur (a romantic "European" castle) are prime examples of architecture in which communication counts at least as much as function.

Such buildings no longer need huge, splashy signs. They are signs. What they promise is exotic, safe fun. Yet oddly enough, as the buildings get stranger, as the degree of architectural image-making approaches a breaking point, the Las Vegas Strip is beginning to seem increasingly familiar. A certain homogenization is at work. The Strip seems more and more like other so-called "destination resorts" — in particular, more like the Disney places of the world.

GAMBLING does give the place a certain edginess, an existential coldness that Disneylands are designed to eliminate from view.

In a single foolish night you can, after all, gamble away your car, your house, your dog. But except for gambling — which the industry defines as another form of entertainment — blatant sin is no longer all that obvious in Sin City.

Tom Wolfe was the first outsider to pay any serious attention to Vegas style in a 1964 Esquire article whose title was a verbal equivalent of Vegas's visual (and aural) punch: "Las Vegas (What?) Las Vegas (Can't hear you! Too noisy) Las Vegas!!!" In 1968, Robert Venturi, Denise Scott Brown and Steven Izenour took a group of Yale University architecture students on a research mission to the gambling oasis, and the findings became an influential book: "Learning From Las Vegas."

Both Wolfe and these architects were discoverers of the previously unheralded cultural merits of the brilliant, enormous signs that lined the Strip. Wolfe celebrated the artistry of the signmakers — "the designer-sculptor geniuses of Las Vegas." Venturi and his associates ferreted out the urban order that underlay the apparent chaos of the Strip. They pointed out that in an architectural environment dominated by the automobile, the outrageous signs played key roles — luring motorists to one-story casinos that were almost invisible behind huge parking lots.

THREE decades later, the visual excitement remains, but the desert no longer is right on the other side of the parking lot, so some of the oddness is gone. (The parking lot, in fact, is more likely to be an eight-story garage.) Only a precious few of the early signs still stand. The newer signs still are bright and big, but they are more like conventional marquees — they convey needed information, mainly about entertainers and bargains in gaming or eating. In any case, they are dwarfed now by the buildings.

What propels it all, of course, is money. In 1968, the state of Nevada decided to allow corporations as well as individuals to own casinos. With far greater resources than even mob-connected types, corporate owners were able, as they say in Econ 101, to expand the physical plant.

The combination of high-rise hotels with gambling casinos was inevitable. As Alan Hess points out, owners sooner or later were bound to figure out the formula: "A certain number of rooms meant a certain number of customers losing money at the casino." The transformation began tentatively in the late '50s — but didn't reach its apogee until the '80s boom began in earnest.



Lee Zachsch for The Washington Post.

New York New York, the newest theme hotel in Vegas.

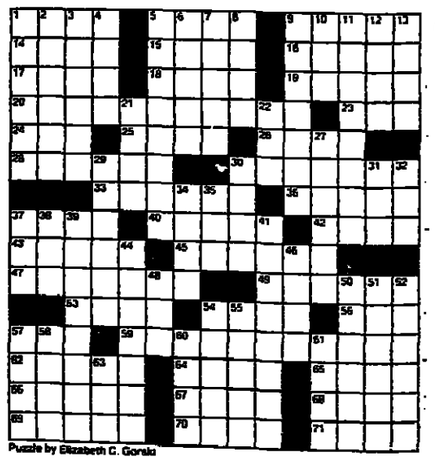
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71 Like a Granny Smith apple

DOWN
1 Where train commuters drink
2 Come to the fore
3 No-nos
4 Pronto!
5 Kind of medicine
6 Call off a takeoff
7 50's western "The —— Kid"
8 Ship's central beam
9 Russian horseman
10 Take steps
11 Auto disassembly site
12 Actress Hatcher
13 Gets one's goat
21 Singer Irene
22 Building wing
27 *Quagmire*
29 Recorded
30 Point after deuce
31 Single
32 Conducted
34 Disposable diaper brand
35 Bordeaux summer
37 Foot. Lat.
38 The works
39 Carriage horse sound
41 People who don't count
44 Evening meals
45 —— Han
48 Each
50 Country singer Yearwood
51 Resurrection Mass day
52 Warm up again
54 Escargot
55 Tubular pasta
57 Stephen King topic
58 Prefix with second
60 *Arm bone*
61 Hornets' home
63 Take to court



Puzzle by Elizabeth C. Gorski

© New York Times/Edited by Will Shortz.

Solution to Puzzle of Dec. 23

L	E	A	P		A	T	T	I	C		B	A	B	A
I	T	E	R		C	H	I	N	O		E	M	I	R
A	C	R	E		H	E	L	L	O		A	I	R	E
R	H	O	D	E	I	S	L	A	N	D	R	E	D	S
			A	L	E	E			S	O	U			
H	A	T	T	E	R		B	I	K	E	P	A	T	H
A	P	R	O	N		S	E	M	I			L	O	Y
F	L	O	R	I	D	A	S	U	N	S	H	I	N	E
T	E	L			I	S	T	S		C	O	N	A	N
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R	Y	A	N		A	I	S	L	E		A	N	T	I
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M	E	A	L		R	E	S	T	S		D	E	L	E

TV's Interactive Niche

Hotel Pay-per-View Is Growing Up

By James Sterngold
New York Times Service

LOS ANGELES — Interactive television may still be searching for an audience in the home, but there are signs now that it may have finally found a solid market — business travelers.

The companies that are delivering it are the ones that have profited from offering hotel guests soft-core pornographic movies.

If the plans work out, and they will begin unfolding next year, the TV will become for business executives the nerve center of the hotel, a place to make reservations, order flowers or food, send and receive e-mail or surf the Internet.

One of the first hotels to offer the new services, both on and off the Internet, will be the Hilton Hotel at San Francisco International Airport, starting in January. Tests are expected to follow at other hotels later, although the companies will not yet disclose where.

Right now, pay-per-view companies provide hotels, including big chains like Hilton, Hyatt and Marriott, with Hollywood movies as well as the more popular erotic films. But they are trying to wean themselves from reliance on a single product, and they think delivering Internet access is the way to do it.

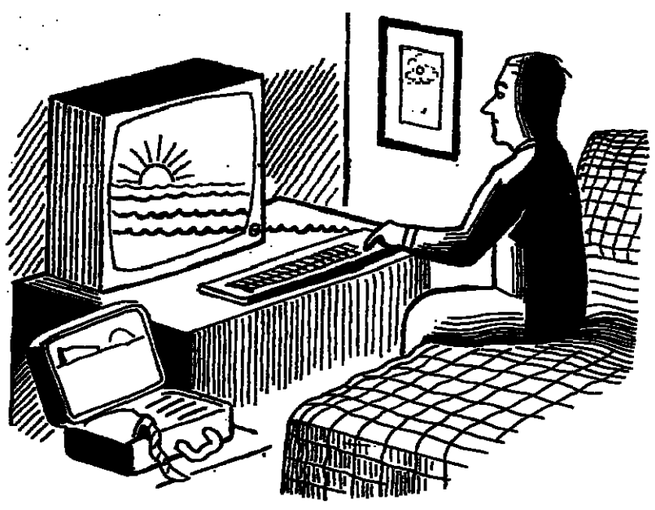
"The adult product has been one of the economic pillars of the industry," said Robert Kavner, the new chief executive of On Command Corp., the largest pay-per-view company. "That was true for the VCR, too. But I have much higher expectations from hotel guests. As we broaden the programming we offer, the adult product will become less important. I think everyone wants that."

Not only are legions of business travelers eager for such services, executives at some companies say, but installing the systems to provide them is easier and cheaper than in private homes because the wiring is in place to connect scores of television sets.

Within months, large blocks of hotel rooms are expected to undergo at least partial conversions to enable pay-per-view companies to deliver Internet services.

"They are realizing that they now have the right of entry into all those hotels, with access to a sophisticated customer who is willing to pay for a lot of services," said Brian Schecter, an analyst at Paul Kagan Associates. "Whether they are able to successfully make that work is another question."

Mr. Schecter added: "They are starting out at the high end of the business, with people who are already paying $175 a night for a hotel room. Spending another few dollars for the Internet is nothing to them."



David Suter

Travelers who carry laptops with Internet access will not need many of the new services. But plenty of other hotel guests will, the providers assume.

Hotels making the switch not only stand to make a few extra dollars per room every week, but also will be solving a growing problem: overloaded phone lines.

Chris Elam, the corporate director of rooms at Hyatt Hotels Corp., said guests' phone calls used to average just seven minutes, meaning that 50 trunk lines could generally handle the phone traffic for a 500-room hotel. But with more business travelers carrying laptop computers and using them to explore the Internet, he said, calls can often run to three hours, overwhelming the phone systems. If the pay-per-view companies can offer Internet access on their own phone lines, that would ease the stress, Mr. Elam said.

For the pay-per-view companies, the embrace of new technologies comes as something of a relief, at least in terms of

See HOTELS, Page 15

Germany Dresses Up Its Accounts by Selling Shares in Lufthansa

By John Schmid
International Herald Tribune

FRANKFURT — The government sold its remaining 35.7 percent stake in Lufthansa AG to a state-owned bank, officials said Monday, in a transaction that will allow it to dress up its balance sheet by booking the profit for this year.

In an unusual transaction, the government sold the stake, valued at 2.8 billion Deutsche marks ($1.8 billion), for 2.1 billion DM to Kreditanstalt fuer Wiederaufbau, where the shares will be "parked" before being resold to the public next year.

The bank will then return to the government 99 percent of the difference between the 2.1 billion DM and the actual sales price when the shares are sold to the public.

The government will be able to list the 2.1 billion DM as profit for 1996.

"The headline numbers will look slightly better this year, for what it's worth," said Holgar Schmieding, senior economist at Merrill Lynch in Frankfurt. Ruetger Teuscher, an economist at Deutsche Bank Research GmbH in Frankfurt, called the transaction, which involved 380 million shares of Lufthansa, "window dressing."

The two-step transfer is seen by economists mainly as a way for Finance Minister Theo Waigel to defend his fiscal reputation after heavy government borrowing this year gave ammunition to opponents, who accused him of mismanagement.

Mr. Waigel twice was forced to revise his projections for full-year borrowing targets because of unexpected increases in unemployment payments and weak tax revenue.

Mr. Waigel backed away from a cap of 60 billion DM on net public borrowing and now concedes that borrowing will total more than 70 billion DM this year.

The sale of Lufthansa draws attention to Bonn's spotty record on privatizations this year. In its 1996 budget, the government ambitiously figured it would raise 9 billion DM in privatization revenue by selling stakes in 15 companies.

Instead, only two assets were sold other than Lufthansa.

The most prominent, the sale of 20 percent of Deutsche Telekom AG, was actually a capital increase rather than a privatization, because the revenue was kept for company use and not transferred to the government.

That leaves Bonn's stake in the Neckar AG utility, which was sold for 89 million DM.

Bonn already had budgeted for the last leg of Lufthansa's privatization in 1996, but the flotation was snagged by a legal technicality: The government must ensure that a majority of the airline remains in the hands of German investors. Bilateral air traffic agreements would be void if Lufthansa passed into foreign control.

The sale to investors is thus stalled until Parliament passes a law allowing the government to expropriate Lufthansa shares if necessary to ensure that the majority of the carrier remains German.

Parliament is expected to pass the law by the middle of next year, meaning the final sale should take place in the second half of 1997. That could benefit the government, equity analysts said, because the value of the stake could rise beyond 2.8 billion DM, leading to an increase in the amount paid back by Kreditanstalt fuer Wiederaufbau when it eventually sells the Lufthansa shares to the public. On the other hand, if Lufthansa stock falls, the government has already booked some profit. Lufthansa shares closed at 20.70 DM, up 0.20.

■ Air France Plans Express Unit

Air France plans to create a parcel express division after it absorbs its Air France Europe division April 1, the carrier's director general, Sten Grotenfelt, said, according to a Reuters report from Paris. He said Air France and Air France Europe's express delivery activities and postal delivery interests would be folded into one operation.

"We want to take part of this market; with our present network, we can compete with people like Federal Express and DHL to some extent," he said, referring to major U.S. competitors. "We can also compete positively to certain destinations. We already do some of their business." He said Air France intended to expand its sales and marketing activities in the express field.

Will Jobs's Return Resuscitate Apple? Stay Tuned

By John Markoff
New York Times Service

SAN FRANCISCO — Now that Apple Computer Inc. has decided to buy Next Software Inc., the brainchild of Apple's co-founder, Steve Jobs, the world is waiting to see if Apple can reinvent itself and reclaim the mantle as the technology leader of the personal-computer industry.

To be successful in marrying its software to the Nextstep operating system, Apple Computer will need to quickly woo thousands of Macintosh developers by convincing them that the new Next-Macintosh hybrid will be a strong technical competitor to Microsoft Corp.'s Windows 95 and NT programs.

Apple hopes that Next features, such its ability to support powerful software-development languages, will be so attractive that developers will be willing both to write new programs for it and to rewrite their existing software.

"The key is to convince developers of innovative new software products that they can make those products run best or only on your operating system," Mr. Jobs said.

He can probably make that case better than anyone. In the end, part of Apple's decision undoubtedly came down to the simple fact that Mr. Jobs's most valuable asset is his marketing skill, and marketing is the area where Apple has lost the most ground.

The company needed to do something quickly to counteract the growing perception that Apple was washed up in the face of the computer industry's overwhelming adoption of Microsoft software and Intel microprocessors.

Before the dramatic decision to buy Next Software for $400 million last week, Apple had considered other options, including the former Apple executive Jean-Louis Gassee's Be Inc., Sun Microsystems Inc.'s Solaris and even an obviously desperate alternative: Microsoft's Windows NT.

Although the Be system was in several ways more modern than Nextstep, the ability to attract programmers back to the Apple camp may have proved an overriding advantage. More important, if Apple's technical team can deliver a commercial version of a new Macintosh operating system within a year, the Nextstep software could permit Apple to make quick inroads on Microsoft.

"The interesting thing about Nextstep is that it was somewhere between five and seven years ahead of everyone else," said Eric Schmidt, chief technical officer of Sun Microsystems. "It's a beautiful piece of work."

One advantage of Nextstep will be the ease of programming offered by

See APPLE, Page 15

Thinking Ahead /Commentary

The U.S. Needs a Strategic Trade Chief

By Reginald Dale
International Herald Tribune

WASHINGTON — When he was put in charge of U.S. trade policy four years ago, Mickey Kantor made no secret of his prime objective: to get President Bill Clinton re-elected. Now that Mr. Clinton has fought and won his final election, there is no more excuse for treating trade as a kind of subdivision of domestic politics.

Mr. Clinton says he wants his legacy to be that he prepared America for the 21st century. Among other things, that must mean addressing America's future role in the world economy, the values it wants enshrined in the global system and the real nature of long-term U.S. economic interests. Trade policy is central to all these questions.

Yet rather than look for a strategic thinker to be his new trade representative, Mr. Clinton has turned to Charlene Barshefsky, another combative, narrowly focused lawyer in the Mickey Kantor mold, who has held the post on an acting basis since Mr. Kantor moved to the Commerce Department last spring.

Ms. Barshefsky's record does not suggest that she will bring much global perspective to the job. Like Mr. Kantor, she seems to believe that U.S. trade policy is essentially the sum of short-term actions to promote whatever American special interest happens to be on the menu of the day.

Whether or not this style aided Mr. Clinton's re-election, it has certainly not helped U.S. trade policy. Mr. Kantor's abrasive "results oriented" approach alienated most of America's allies and allowed Japan to pose successfully as the champion of free trade against the United States.

On the broader trade front, after completing the two major initiatives inherited from President George Bush — the North American Free Trade Agreement and the Uruguay Round of multilateral

Charlene Barshefsky's record does not suggest that she will bring much global perspective to the job.

trade negotiations — the Clinton administration has basically marked time over the past two years. Rather than do anything that might alarm American voters, it has allowed U.S. leadership of the world trade system to lapse.

That leadership will be hard to regain, even supposing that Washington wants to do so. The United States is increasingly abandoning one of the cornerstones of its successful post-war international economic policy — the belief that America's fundamental interest in multilateral trade liberalization is of over-riding importance.

With the Cold War over, Washington no long feels it needs to make economic concessions to other countries to keep them in the Western camp. The new emphasis is on the "aggressive" assertion of narrow American interests and strict reciprocity for any U.S. concessions — an approach that Ms. Barshefsky shares.

So, unfortunately, does much of the Republican-led Congress — to the extent that it thinks about trade at all. The taste for aggression perpetuates the fallacious belief that trade is war by other means — a misconception the trade representative should be combating, not fostering.

Of course the trade representative should be a tough negotiator. But it is essential not to forget that the United States — as the world's largest exporter and the most open major economy — has a vital interest in continuing economic liberalization and a strong, rules-based multilateral trading system.

Someone must keep that basic truth constantly before the public eye if protectionist forces and supporters of counterproductive economic sanctions are to be resisted. It is not at all clear who, if anyone, in the new administration will assume that function if Ms. Barshefsky is unwilling or unable to do so.

Actually, the person in the administration who is most aware of America's need to adapt to and lead the global economy is probably Mr. Clinton himself. Perhaps the best thing Ms. Barshefsky could do is persuade him to take on the leadership and educational role on trade — it is after all his legacy that is at stake.



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CURRENCY & INTEREST RATES

Dec. 23

Cross Rates

	$	£	DM	FF	Lira	BFr	SF	Yen	C$	Peseta
Amsterdam	1.7405	2.801	1.1220	0.3396	0.11427*	—	1.2063	1.5282*	1.2755	1.3355*
Brussels	32.5975	52.4225	20.9335	6.3625	2.0856*	18.36	—	28.6725	23.905	24.44*
Frankfurt	1.5535	2.4995	—	0.2963	0.1017*	0.8914	0.8638*	1.3403	1.1207	1.1372*
London (a)	1.6235	—	1.5999	0.4777	0.157*	25.084	1.4896	98.717	114.676*	95.845	—
Madrid	130.857	210.29	84.27	24.977	8.27*	2019.5	119.34	7911.5	9195.5	7685.5	8.0*
Milan	1.637.70	2.634.75	992.50	291.80	—	977.20	47.86	1,143.34	13.297	1,176.10	11.677
New York (b)	—	1.6245*	1.5547	0.3455	0.1138*	3.0861	0.1437	3.3167	4.5912*	1.2373	4.085*
Paris	5.239	8.3725	3.3705	—	Closed						
Tokyo											
Toronto	1.3665	2.2005	0.879	0.2604	0.0893*	0.7832	0.4065*	1.0219	1.3925*	—	1.041*
Zurich	1.336	2.2725	0.8605	0.2549	0.0874*	0.7665	4.1729*	—	1.3716*	0.9771	1.0205*
1 ECU	1.251	0.7405	1.1405	0.3339	1.9183	2.1802	48.0285	1.4733	142.25	1.708	163.643
1 SDR	1.4387	0.8595	2.2349	7.5571	2.196.67	2.5923	46.8475	1.7264	N.Q.	1.9638	188.19

Closings in Amsterdam, London, Milan, New York, Paris and Zurich, fixings in other centers and Toronto rates at 3p.m.
*a: To buy one pound b: To buy one dollar. *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9998	Greek drac.	246.90	Mex. peso	7.8340	S. Afr. rand	4.689
Australian $	1.2561	Hong Kong $	7.7371	N. Zealand $	1.4732	S. Kor. won	844.50
Austrian sch.	10.93	Hung. forint	164.92	Norw. krone	6.462	Swed. krona	6.8375
Brazil real	1.0575	Indian rupee	35.805	Phil. peso	26.30	Taiwan $	27.50
Chilean peso	0.2275	Indo. rupiah	2360.50	Polish zloty	2.86	Thai baht	25.62
Czech koruna	27.38	Irish £	0.6015	Port. escudo	154.49	Turkish lira	105763.
Danish krone	5.9432	Israeli shek.	3.2681	Russ ruble	5554.00	UAE dirham	3.6705
Egypt. pound	3.392	Kuw dinar	0.2999	Saudi riyal	3.75	Venez. bolfv.	475.25
Fin. markka	4.6365	Malay. ring.	2.5774	Sing. $	1.40		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6751	1.6738	1.6725	Japanese yen	113.83	113.05	112.60
Canadian dollar	1.3645	1.3618	1.3595	Swiss franc	1.3539	1.3300	1.3265
Deutsche mark	1.5530	1.5472	1.5445				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris; Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Dec. 23

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5⅜ - 5⅛	3⅛ - 3⅛	2⅛ - 2⅛	6⅛ - 6⅛	3⅛ - 3⅛	⅞ - ½	4⅛ - 4⅛
3-month	5⅞ - 5⅝	3⅛ - 3⅛	2 - 2⅛	6⅛ - 6⅛	3⅛ - 3⅛	⅞ - ½	4⅛ - 4⅛
6-month	5½ - 5⅜	3⅛ - 3⅛	1⅞ - 2⅛	6⅛ - 6⅛	3⅛ - 3⅛	⅞ - ½	4⅛ - 4⅛
1-year	5⅜ - 5⅛	3⅛ - 3⅛	1⅞ - 2⅛	6⅛ - 7⅛	3⅛ - 3⅛	½ - ⅝	4⅛ - 4⅛

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8¼	8¼
Federal funds	5⅛	5⅛
90-day CDs dealers	5.48	5.46
180-day CP dealers	5.27	5.25
3 month Treasury bill	4.95	4.90
1-year Treasury bill	5.22	5.21
2-year Treasury bill	5.83	5.83
5-year Treasury note	6.12	6.13
7-year Treasury note	6.21	6.22
10-year Treasury note	6.34	6.35
30-year Treasury bond	6.58	6.60
Merrill Lynch 30-day RA	4.94	4.94
Japan		
Discount rate	0.50	0.50
Call money	Clsd	0.44
1-month interbank	—	0.53
3-month interbank	—	0.53
6-month interbank	—	0.56
10-year Govt bond	—	1.48
Germany		
Lombard rate	4.50	4.50
Call money	3.00	3.02
1-month interbank	3.10	3.30
3-month interbank	3.20	3.25
6-month interbank	3.15	3.24
10-year Bund	5.80	5.81

Britain		
Bank base rate	6.00	6.00
Call money	5⅜	6.00
1-month interbank	6⅛	6⅛
3-month interbank	6⅜	6⅜
6-month interbank	6⅛	6⅛
10-year Gilt	7.60	7.61
France		
Intervention rate	3.15	3.15
Call money	3¼	3¼
1-month interbank	3⅜	3⅜
3-month interbank	3⅜	3⅜
6-month interbank	3¼	3¼
10-year OAT	5.77	5.78

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	368.65	369.75	+0.50
London	368.70	368.75	—0.25
New York	370.40	370.60	+1.35

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices New York Comex (Feb.)

Source: Reuters.

THE AMERICAS

Investor's America

The Dow | 30-Year T-Bond Yield | Dollar in Deutsche marks | Dollar in Yen (J A S O N D 1996)

Exchange	Index	Monday Close	Prev. Close	% Change
NYSE	The Dow	6489.02	6484.40	+0.07
NYSE	S&P 500	746.93	748.87	-0.26
NYSE	S&P 100	726.14	726.87	-0.37
NYSE	Composite	393.29	394.11	-0.21
U.S.	Nasdaq Composite	1279.39	1288.54	-0.71
AMEX	Market Value	580.98	582.01	-0.18
Toronto	TSE Index	5862.90	5869.66	-0.12
São Paulo	Bovespa	69125.80	69422.40	-0.43
Mexico City	Bolsa	3399.17	3311.36	+2.65
Buenos Aires	Merval	638.26	628.00	+1.63
Santiago	IPSA General	4873.33	4893.33	-0.41
Caracas	Capital General	6414.93	6349.47	+1.03

Source: Bloomberg, Reuters — International Herald Tribune

Very briefly:

• **Mercantile Bancorp Inc.** agreed to acquire **Roosevelt Financial Group Inc.** for $1.07 billion, as the Missouri bank prepared to compete with rivals.

• **American General Corp.** said it planned to purchase **Home Beneficial Corp.**, a life insurance company in Richmond, Virginia, for $665 million.

• **Archer Daniels Midland Co.** said it would buy **W. R. Grace & Co.'s** cocoa business for about $430 million in cash and debt.

• **Oracle Corp.** said Jack Kemp had rejoined its board, which he had left in September after being named vice presidential candidate for the Republican Party.

• **Chase Manhattan Bank** agreed to let **First Data Corp.** process credit-card transactions for merchants amounting to $90 billion in processing volume that Chase previously handled itself.

• **Hard Rock Cafe International** said it acquired the operations and licensing rights of Hard Rock Canada from **Lettuce Serview Inc.** for $61 million. *Bloomberg*

Weekend Box Office

The Associated Press

LOS ANGELES — "Beavis and Butt-head Do America" dominated the U.S. box office over the weekend, with a gross of $20.5 million. Following are the Top 10 moneymakers, based on Friday's ticket sales and estimated sales for Saturday and Sunday.

1. Beavis and Butt-head Do America	(Paramount)	$20.5 million
2. Jerry Maguire	(Tri-Star)	$13.4 million
3. 101 Dalmatians	(Walt Disney)	$6.8 million
4. Scream	(Dimension Films)	$6.3 million
5. One Fine Day	(20th Century Fox)	$6.1 million
6. The Preacher's Wife	(Touchstone Pictures)	$5.3 million
7. Mars Attacks!	(Warner Bros.)	$4.7 million
8. Jingle All the Way	(20th Century Fox)	$3 million
9. My Fellow Americans	(Warner Bros.)	$2.8 million
10. Daylight	(Universal)	$2.3 million

Canada's 2-Track Economy

Alberta Prospers While the East Languishes

By Howard Schneider
Washington Post Service

CALGARY, Alberta — Given the job of re-engineering the venerable Canadian Pacific Railway Co., executives packed their corporate bags last summer and transferred their headquarters from Montreal to this booming oil-patch town near the Rocky Mountains.

The shake-up made sense economically: Canadian Pacific's business lately has concentrated on shipping minerals, grains and other commodities out of the country's Western resource belt. But it also was symbolic of some of the larger trends that analysts say have positioned parts of Canada's economy for a golden era of strong profit and low inflation, while leaving several East Coast provinces and other pockets of the country with staggering rates of joblessness.

Alberta has been one of the winners in a nationwide process of job creation and destruction that has given Canada's economy a pronounced dualism. Many of the chief indicators of economic health are strong and growing stronger, and by some estimates 1 million jobs have been created since the early 1990s. Yet unemployment nationally remains lodged near 10 percent, nearly double the U.S. rate.

In the case of Canadian Pacific, the company shed hundreds of jobs in the process of moving west, but still brought 900 employees with it. It plans to hire an additional 300 from a local work force with a reputation for competitiveness.

Decisions like that have turned Alberta from a resource-dependent province into one with a growing manufacturing sector and a jobless rate far below the national average.

"We were trying to create this dynamic, aggressive culture" at Canadian Pacific, a company with a patriarchal place in Canada's history but stodgy modern results, said Fred Green, the vice president who oversaw the relocation. Alberta has the lowest tax rates in the country, but Mr. Green said the company also "looked at Calgary as entrepreneurial, can-do, let's get this thing done."

It has been a banner year for Canada's economy on a number of fronts. International studies have predicted the country will have the best economic performance of any developed nation in the coming year. The Canadian dollar has been growing stronger, and the Toronto Stock Exchange, fueled by foreign investment and a boom in the resource sector, has set records.

The federal budget deficit, after reaching critical proportions in the early 1990s, is now almost gone.

Also, the benefits of the North American Free Trade Agreement and expanding global trade overall are starting to be felt. Exports have nearly doubled since 1991.

But so far, there has been little sense of prosperity in the economy as a whole. Jobs remain a major concern in opinion polls, and consumer spending has yet to respond to the country's low interest rates.

Indications of prosperity mask the turmoil underneath: Thousands of new jobs may have been created, but many were lost as companies restructured, closed or merged.

As with other industrialized economies, skilled workers did well here during the transition, while those rooted in traditional industries or with less education have struggled. While Alberta has moved from oil, gas and agriculture to employ 50,000 in technology-based businesses, for example, Newfoundland is saddled with 18 percent unemployment following the collapse of its fisheries.

"We are dealing with some fairly significant changes," said John Jung, head of the Calgary Economic Development Authority. "We constantly have people moving here who are bringing investment wealth and intellectual wealth and drive."

Many analysts, and the government of Prime Minister Jean Chretien, argue that all the pieces are in place for strong employment and income gains. Others disagree, saying a fixation on eliminating inflation and public deficits, coupled with the destruction of jobs through technology, has left little new money to trickle down.

Year-End Wariness Holds Stocks Back

Compiled by Our Staff From Dispatches

NEW YORK — Stock prices were mixed Monday, held back as investors decided to book profits before the year-end.

The Dow Jones industrial average closed up 4.62 points at 6,489.02, but declining issues outnumbered advancing ones by a 5-to-4 ratio on the New York Stock Exchange.

"Considering the run-up last week, the market is holding itself in rather impressive form," said Michael Metz, chief investment strategist at Oppenheimer & Co. "We've got a lot of random noise in the market in the days right before Christmas."

Stocks were weighed down by concern that the next move on monetary policy by the Federal Reserve Board will be to raise interest rates.

That concern was reinforced by government reports showing a rebound in personal incomes in November and surprising strength in consumer spending at the start of the Christmas sales season.

The Commerce Department said personal income rose 0.5 percent last month after being flat in October. It was the strongest showing since back-to-back gains of 0.6 percent in August and September.

Consumer spending was up 0.5 percent in November. While that was down from a 0.7 percent gain in October, it was still a slightly bigger increase than many analysts had been expecting.

Stock investors saw the data as a signal that higher rates and lower profits were ahead.

But Treasury bond traders were not disturbed by the reports. Analysts said bond traders were more interested in recent assessments of economic growth, such as private studies and anecdotal accounts of how much business retailers were ringing up.

"Over the weekend, there was some tempering of enthusiasm about retail sales," said Alan Ackerman, a market analyst at Fahnestock & Co. "While stores are busy, there appears to be more browsing than buying."

The price of the benchmark 30-year bond rose 7/32 point, to 98 31/32, while the yield fell to 6.58 percent from 6.60 percent Friday.

The outlook for slower growth in corporate profits will make bonds more attractive to investors in the next few months, said Richard Gilhooly of Paribas Capital Markets.

"Stocks are factoring in overly optimistic earnings expectations," he said. "As earnings growth decelerates further, the bond market will begin to outperform."

Bonds are already "too cheap" partly because of a spate of sales by corporations, said Jim Madelmayer, a trader at Dresdner Securities in New York. Underwriters often sell Treasury issues to hedge against losses on new corporate securities.

Among individual stocks, Compaq Computer fell 4 to 72¼ on speculation that sales of personal

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computers were rising only because of huge price cuts and special promotions. Dell Computer fell 3¼ to 51¾, and International Business Machines lost ½ to 154¼.

The weakness in technology issues pulled the Nasdaq composite index down 9.17 points, to 1,279.39.

U.S. Diagnostic fell 2 11/16 to 9⅜ after an analyst said one of the company's managers pleaded guilty in 1994 to fraud charges. Keith Greenberg pleaded guilty to fraud and conspiracy to defraud, Albert Rice of Bear Stearns & Co. said in a report to investors. Mr. Greenberg had been described by the company as a co-founder and member of management, he said.

Mr. Rice said the laboratory services company had failed to disclose Mr. Greenberg's background to analysts and investors, so he removed his buy rating and dropped the stock from coverage.

Pacific Gas & Electric fell 1¼ to 21⅝ after an analyst at Smith Barney downgraded the company to "neutral" from "outperform."

Drug stocks were strong. Geron rose 2⅞ to 11½ after the biopharmaceutical company reached an agreement with Pharmacia & Upjohn to collaborate on a new class of drugs that inhibit telomerase, an enzyme highly associated with cancer.

Pharmacia will initially invest $2 million in Geron, and the deal is expected to include provisions for additional investments, other payments and royalties.

Agouron Pharmaceuticals rose 5½ to 67¾ after the company submitted a new drug application to U.S. regulators for its anti-HIV drug Viracept.

OfficeMax fell ⅝ to 10¼ after Prudential Securities removed the office-supplies retailer from its "single best idea" list. Prudential maintained its buy rating on the company but lowered its 12-month price target to $17 a share from $24. *(Bloomberg, AP, Reuters)*

Bets on U.K. Rate Rise Lift Pound

Compiled by Our Staff From Dispatches

NEW YORK — The pound rose Monday after the release of minutes from a monetary policy meeting appeared to suggest the Bank of England would push for higher interest rates soon.

The minutes showed that the Bank of England's governor, Eddie George, and the chancellor of the Exchequer, Kenneth Clarke, agreed at their meeting Oct. 30 that an increase of 25 basis points, or a quarter of a percentage point, in British interest rates would be enough, but that Mr. George said a move of that size might not help Britain reach its inflation target.

Because of signs of strong retail sales in the Christmas shopping period, analysts said they expected Mr. George to push strongly for another rate increase when he met with Mr. Clarke on Jan. 15.

"Recent data have been strong," and it is difficult to see how another

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rate increase next month can be avoided, Jeremy Hawkins, chief economist at Bank of America in London, said.

The pound rose to $1.6765 from $1.6703 in New York on Friday.

The dollar, meanwhile, fell to 114.075 yen from 114.345 yen Friday but rose to 1.3370 Swiss francs from 1.3340 francs, to 5.2455 French francs from 5.2375 francs and to 1.5547 Deutsche marks from 1.5518 DM. The Swiss franc was kept under pressure by concern about a restructuring in the Swiss banking system.

The Bank of France's decision to hold interest rates steady kept the franc under pressure. Analysts still expect France to lower rates at the next meeting of the Bank of France's monetary policy committee.

France's finance minister, Jean Arthuis, told the German daily Handelsblatt the exchange rate between the franc and the mark reflected fundamental economic conditions. He said France would continue efforts to qualify for the single European currency. *(Reuters, Bridge News, Bloomberg, AFX)*

AMEX

Monday's 4 p.m. Close
The top 300 most-active shares, up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Latest	Chge
AM Intl	171	[illegible]	[illegible]	[illegible]	[illegible]
AMC	818	[illegible]	[illegible]	[illegible]	[illegible]
ARC	262	[illegible]	[illegible]	[illegible]	[illegible]
AVIC Gp n	415	[illegible]	[illegible]	[illegible]	[illegible]
AckGrp s	129	[illegible]	[illegible]	[illegible]	[illegible]
AdvMed	313	[illegible]	[illegible]	[illegible]	[illegible]
AdvPhot	107	[illegible]	[illegible]	[illegible]	[illegible]
AirWat	159	[illegible]	[illegible]	[illegible]	[illegible]
Allou	318	[illegible]	[illegible]	[illegible]	[illegible]
Alphain	168	[illegible]	[illegible]	[illegible]	[illegible]
AltLvng n	194	[illegible]	[illegible]	[illegible]	[illegible]
Amdhl	1516	[illegible]	[illegible]	[illegible]	[illegible]
AExpl	232	[illegible]	[illegible]	[illegible]	[illegible]
AScIE	116	[illegible]	[illegible]	[illegible]	[illegible]
Ampal	175	[illegible]	[illegible]	[illegible]	[illegible]
Ampex n	13483	[illegible]	[illegible]	[illegible]	[illegible]
Andrea	145	[illegible]	[illegible]	[illegible]	[illegible]
Arrogn	245	[illegible]	[illegible]	[illegible]	[illegible]
ArizLd	800	[illegible]	[illegible]	[illegible]	[illegible]
ArmorH n	250	[illegible]	[illegible]	[illegible]	[illegible]
Artyn	129	[illegible]	[illegible]	[illegible]	[illegible]
AstLiving	287	[illegible]	[illegible]	[illegible]	[illegible]
Astratc	634	[illegible]	[illegible]	[illegible]	[illegible]
Atlantis	116	[illegible]	[illegible]	[illegible]	[illegible]
Audvox	2269	[illegible]	[illegible]	[illegible]	[illegible]
AurorEl	341	[illegible]	[illegible]	[illegible]	[illegible]
Autotote	3077	[illegible]	[illegible]	[illegible]	[illegible]
Azco	628	[illegible]	[illegible]	[illegible]	[illegible]
BAT Ind	1777	[illegible]	[illegible]	[illegible]	[illegible]
Baldw	345	[illegible]	[illegible]	[illegible]	[illegible]
Bovou	109	[illegible]	[illegible]	[illegible]	[illegible]
BemaGold	1552	[illegible]	[illegible]	[illegible]	[illegible]
BenPh	174	[illegible]	[illegible]	[illegible]	[illegible]
BethCp	164	[illegible]	[illegible]	[illegible]	[illegible]
BinkMf	122	[illegible]	[illegible]	[illegible]	[illegible]
BioR A s	120	[illegible]	[illegible]	[illegible]	[illegible]
BlairCp	134	[illegible]	[illegible]	[illegible]	[illegible]
BlondT	127	[illegible]	[illegible]	[illegible]	[illegible]
Bowmr	337	[illegible]	[illegible]	[illegible]	[illegible]
Bowne	848	[illegible]	[illegible]	[illegible]	[illegible]
Brandyw s	399	[illegible]	[illegible]	[illegible]	[illegible]
B&B US n	107	[illegible]	[illegible]	[illegible]	[illegible]
CET Envs	756	[illegible]	[illegible]	[illegible]	[illegible]
CFX Cp	226	[illegible]	[illegible]	[illegible]	[illegible]
CIM	138	[illegible]	[illegible]	[illegible]	[illegible]
Cablvsn	1081	[illegible]	[illegible]	[illegible]	[illegible]
Cablvs pf	905	[illegible]	[illegible]	[illegible]	[illegible]
Calton	441	[illegible]	[illegible]	[illegible]	[illegible]
Cambior	285	[illegible]	[illegible]	[illegible]	[illegible]
CanyonRs	378	[illegible]	[illegible]	[illegible]	[illegible]
CashAM s	736	[illegible]	[illegible]	[illegible]	[illegible]
CFCda g	145	[illegible]	[illegible]	[illegible]	[illegible]
CentSe	146	[illegible]	[illegible]	[illegible]	[illegible]
ChadThr	962	[illegible]	[illegible]	[illegible]	[illegible]
Chief	233	[illegible]	[illegible]	[illegible]	[illegible]
Citadel	659	[illegible]	[illegible]	[illegible]	[illegible]
CoastD	1030	[illegible]	[illegible]	[illegible]	[illegible]
CohenStr	118	[illegible]	[illegible]	[illegible]	[illegible]
ColLb	1464	[illegible]	[illegible]	[illegible]	[illegible]
Comforce	188	[illegible]	[illegible]	[illegible]	[illegible]
CmclAsf	403	[illegible]	[illegible]	[illegible]	[illegible]
ComeTch	164	[illegible]	[illegible]	[illegible]	[illegible]
CmpMan	392	[illegible]	[illegible]	[illegible]	[illegible]
Cmptrk	171	[illegible]	[illegible]	[illegible]	[illegible]
CnvstE	197	[illegible]	[illegible]	[illegible]	[illegible]
Cross	771	[illegible]	[illegible]	[illegible]	[illegible]
CrnCP B	230	[illegible]	[illegible]	[illegible]	[illegible]
ecCrwnL	896	[illegible]	[illegible]	[illegible]	[illegible]
CybexIntl	197	[illegible]	[illegible]	[illegible]	[illegible]
Cycomm gs	1066	[illegible]	[illegible]	[illegible]	[illegible]
DI Ind	848	[illegible]	[illegible]	[illegible]	[illegible]
DakotaM	114	[illegible]	[illegible]	[illegible]	[illegible]
DDCIG	357	[illegible]	[illegible]	[illegible]	[illegible]
DanHld	458	[illegible]	[illegible]	[illegible]	[illegible]
Datamet	1211	[illegible]	[illegible]	[illegible]	[illegible]
Davco	364	[illegible]	[illegible]	[illegible]	[illegible]
DaytonMn	130	[illegible]	[illegible]	[illegible]	[illegible]
DenAmer	217	[illegible]	[illegible]	[illegible]	[illegible]
DevnE	445	[illegible]	[illegible]	[illegible]	[illegible]
DiagRet	142	[illegible]	[illegible]	[illegible]	[illegible]
DolAufEx	555	[illegible]	[illegible]	[illegible]	[illegible]
DryfMu	329	[illegible]	[illegible]	[illegible]	[illegible]
EXX A	134	[illegible]	[illegible]	[illegible]	[illegible]
EZ Serv	364	[illegible]	[illegible]	[illegible]	[illegible]
EchoBay	5581	[illegible]	[illegible]	[illegible]	[illegible]
Edisto	240	[illegible]	[illegible]	[illegible]	[illegible]
Edtek	8264	[illegible]	[illegible]	[illegible]	[illegible]
ElPasoE n	986	[illegible]	[illegible]	[illegible]	[illegible]
Emerltys	349	[illegible]	[illegible]	[illegible]	[illegible]
EmerR	298	[illegible]	[illegible]	[illegible]	[illegible]
EmerCor	586	[illegible]	[illegible]	[illegible]	[illegible]
Enzobi	527	[illegible]	[illegible]	[illegible]	[illegible]
Epitope	295	[illegible]	[illegible]	[illegible]	[illegible]
EquusII	275	[illegible]	[illegible]	[illegible]	[illegible]
FemHd	261	[illegible]	[illegible]	[illegible]	[illegible]
FtAust	582	[illegible]	[illegible]	[illegible]	[illegible]
FAusPr	3437	[illegible]	[illegible]	[illegible]	[illegible]
Fitber	586	[illegible]	[illegible]	[illegible]	[illegible]
ForstLb	6477	[illegible]	[illegible]	[illegible]	[illegible]
FortPet	445	[illegible]	[illegible]	[illegible]	[illegible]
ForumR	241	[illegible]	[illegible]	[illegible]	[illegible]
FrnkSel	450	[illegible]	[illegible]	[illegible]	[illegible]
FreqEl	222	[illegible]	[illegible]	[illegible]	[illegible]
Frischs	271	[illegible]	[illegible]	[illegible]	[illegible]
GST Tele	841	[illegible]	[illegible]	[illegible]	[illegible]
GamoB	262	[illegible]	[illegible]	[illegible]	[illegible]
GayICh	2805	[illegible]	[illegible]	[illegible]	[illegible]
GnAuto	641	[illegible]	[illegible]	[illegible]	[illegible]
GnEmp	237	[illegible]	[illegible]	[illegible]	[illegible]
GetchGld	160	[illegible]	[illegible]	[illegible]	[illegible]
GiantFd	801	[illegible]	[illegible]	[illegible]	[illegible]
Glatfit	389	[illegible]	[illegible]	[illegible]	[illegible]
GlbOcn	123	[illegible]	[illegible]	[illegible]	[illegible]
Globlnk	327	[illegible]	[illegible]	[illegible]	[illegible]
GoVideo	710	[illegible]	[illegible]	[illegible]	[illegible]
GldStarR	902	[illegible]	[illegible]	[illegible]	[illegible]
GldFld	751	[illegible]	[illegible]	[illegible]	[illegible]
Greyhnd	3102	[illegible]	[illegible]	[illegible]	[illegible]
GrSmec	412	[illegible]	[illegible]	[illegible]	[illegible]
GulfLb	170	[illegible]	[illegible]	[illegible]	[illegible]
HallEP	322	[illegible]	[illegible]	[illegible]	[illegible]
Halsey	541	[illegible]	[illegible]	[illegible]	[illegible]
HangOr	118	[illegible]	[illegible]	[illegible]	[illegible]
Han wtB	31418	[illegible]	[illegible]	[illegible]	[illegible]
Harken	2769	[illegible]	[illegible]	[illegible]	[illegible]
Hasbro	2276	[illegible]	[illegible]	[illegible]	[illegible]
HawAir	658	[illegible]	[illegible]	[illegible]	[illegible]
Heartlnd	3879	[illegible]	[illegible]	[illegible]	[illegible]
Hearx n	10613	[illegible]	[illegible]	[illegible]	[illegible]
HomeVII n	391	[illegible]	[illegible]	[illegible]	[illegible]
HomeVI wt	267	[illegible]	[illegible]	[illegible]	[illegible]
Hooper	287	[illegible]	[illegible]	[illegible]	[illegible]
HouBio	144	[illegible]	[illegible]	[illegible]	[illegible]
HovnEn	467	[illegible]	[illegible]	[illegible]	[illegible]
ICG Com	1730	[illegible]	[illegible]	[illegible]	[illegible]
IGI	196	[illegible]	[illegible]	[illegible]	[illegible]
Identix	1416	[illegible]	[illegible]	[illegible]	[illegible]
ImoCMp	370	[illegible]	[illegible]	[illegible]	[illegible]
ImoOil g	666	[illegible]	[illegible]	[illegible]	[illegible]
IntegTc n	170	[illegible]	[illegible]	[illegible]	[illegible]
IntegTc wt	115	[illegible]	[illegible]	[illegible]	[illegible]
IntlgSys	222	[illegible]	[illegible]	[illegible]	[illegible]
InCPd	5763	[illegible]	[illegible]	[illegible]	[illegible]
InterDig	3422	[illegible]	[illegible]	[illegible]	[illegible]
ecIntrne	1121	[illegible]	[illegible]	[illegible]	[illegible]
Intlmagn	513	[illegible]	[illegible]	[illegible]	[illegible]
IRIS	238	[illegible]	[illegible]	[illegible]	[illegible]
IntPolym s	192	[illegible]	[illegible]	[illegible]	[illegible]
IonLaser	250	[illegible]	[illegible]	[illegible]	[illegible]
IvaxCp	9130	[illegible]	[illegible]	[illegible]	[illegible]
JTS Corp	1889	[illegible]	[illegible]	[illegible]	[illegible]
JanBell	352	[illegible]	[illegible]	[illegible]	[illegible]
KBK Cap	1613	[illegible]	[illegible]	[illegible]	[illegible]
KelyOil	381	[illegible]	[illegible]	[illegible]	[illegible]
Kezne s	490	[illegible]	[illegible]	[illegible]	[illegible]
KevEng	1026	[illegible]	[illegible]	[illegible]	[illegible]
KnogNA	378	[illegible]	[illegible]	[illegible]	[illegible]
KogerEq	1377	[illegible]	[illegible]	[illegible]	[illegible]
LXRBiot	451	[illegible]	[illegible]	[illegible]	[illegible]
LaBarg	301	[illegible]	[illegible]	[illegible]	[illegible]
Lancer s	258	[illegible]	[illegible]	[illegible]	[illegible]
LsrTech	236	[illegible]	[illegible]	[illegible]	[illegible]
LeathFac	161	[illegible]	[illegible]	[illegible]	[illegible]
LilVern	223	[illegible]	[illegible]	[illegible]	[illegible]
MAI Sys	338	[illegible]	[illegible]	[illegible]	[illegible]
MC Shp	113	[illegible]	[illegible]	[illegible]	[illegible]
MSR	189	[illegible]	[illegible]	[illegible]	[illegible]
Magellan	510	[illegible]	[illegible]	[illegible]	[illegible]
MagnPet	359	[illegible]	[illegible]	[illegible]	[illegible]
Marlton	137	[illegible]	[illegible]	[illegible]	[illegible]
MeasSpcl	299	[illegible]	[illegible]	[illegible]	[illegible]
MeadR	507	[illegible]	[illegible]	[illegible]	[illegible]
Media	506	[illegible]	[illegible]	[illegible]	[illegible]
MediaLog	329	[illegible]	[illegible]	[illegible]	[illegible]
Medig	365	[illegible]	[illegible]	[illegible]	[illegible]
Metromda	872	[illegible]	[illegible]	[illegible]	[illegible]
MichAnf	164	[illegible]	[illegible]	[illegible]	[illegible]
MidatRty	134	[illegible]	[illegible]	[illegible]	[illegible]
MoogA	214	[illegible]	[illegible]	[illegible]	[illegible]
MorganF	553	[illegible]	[illegible]	[illegible]	[illegible]
MS TMX	168	[illegible]	[illegible]	[illegible]	[illegible]
MSNk 97wt	297	[illegible]	[illegible]	[illegible]	[illegible]
MetasiaE	133	[illegible]	[illegible]	[illegible]	[illegible]
MovieStr	133	[illegible]	[illegible]	[illegible]	[illegible]
Munlin	181	[illegible]	[illegible]	[illegible]	[illegible]
Munvsl	573	[illegible]	[illegible]	[illegible]	[illegible]
MunyAZ	734	[illegible]	[illegible]	[illegible]	[illegible]
Myersind	282	[illegible]	[illegible]	[illegible]	[illegible]
NTNCom	2382	[illegible]	[illegible]	[illegible]	[illegible]
NVR	573	[illegible]	[illegible]	[illegible]	[illegible]
Nabors	2710	[illegible]	[illegible]	[illegible]	[illegible]
NtPoint	363	[illegible]	[illegible]	[illegible]	[illegible]
NatAlt	123	[illegible]	[illegible]	[illegible]	[illegible]
NY Times	1125	[illegible]	[illegible]	[illegible]	[illegible]
NA Vacc	305	[illegible]	[illegible]	[illegible]	[illegible]
Novavx	780	[illegible]	[illegible]	[illegible]	[illegible]
Numac	119	[illegible]	[illegible]	[illegible]	[illegible]
OOkiep	737	[illegible]	[illegible]	[illegible]	[illegible]
OmniMult	397	[illegible]	[illegible]	[illegible]	[illegible]
Oncor	924	[illegible]	[illegible]	[illegible]	[illegible]
Oncormd	265	[illegible]	[illegible]	[illegible]	[illegible]
Orognon	589	[illegible]	[illegible]	[illegible]	[illegible]
Oshmn	118	[illegible]	[illegible]	[illegible]	[illegible]
PC Quote	942	[illegible]	[illegible]	[illegible]	[illegible]
PLC Sys	328	[illegible]	[illegible]	[illegible]	[illegible]
PacR&E n	122	[illegible]	[illegible]	[illegible]	[illegible]
PanAmC n	359	[illegible]	[illegible]	[illegible]	[illegible]
PacsnC	1269	[illegible]	[illegible]	[illegible]	[illegible]
PegGld	2362	[illegible]	[illegible]	[illegible]	[illegible]
PeopleTel	797	[illegible]	[illegible]	[illegible]	[illegible]
PrisNet	342	[illegible]	[illegible]	[illegible]	[illegible]
Phonetel	136	[illegible]	[illegible]	[illegible]	[illegible]
PicoPd	137	[illegible]	[illegible]	[illegible]	[illegible]
PinRsc	320	[illegible]	[illegible]	[illegible]	[illegible]
Polymed	181	[illegible]	[illegible]	[illegible]	[illegible]
Polyph	1059	[illegible]	[illegible]	[illegible]	[illegible]
PortSys s	177	[illegible]	[illegible]	[illegible]	[illegible]
PratHll	1217	[illegible]	[illegible]	[illegible]	[illegible]
PratHll wd	890	[illegible]	[illegible]	[illegible]	[illegible]
PradLg	738	[illegible]	[illegible]	[illegible]	[illegible]
PrcCm	325	[illegible]	[illegible]	[illegible]	[illegible]
Pricel s	224	[illegible]	[illegible]	[illegible]	[illegible]
ProAchv n	694	[illegible]	[illegible]	[illegible]	[illegible]
RF Pow	200	[illegible]	[illegible]	[illegible]	[illegible]
RoyGold	135	[illegible]	[illegible]	[illegible]	[illegible]
Radiow	737	[illegible]	[illegible]	[illegible]	[illegible]
RoyalO g	7745	[illegible]	[illegible]	[illegible]	[illegible]
Rymac	147	[illegible]	[illegible]	[illegible]	[illegible]
SabaPet	864	[illegible]	[illegible]	[illegible]	[illegible]
SFeGa pf	175	[illegible]	[illegible]	[illegible]	[illegible]
ShefldMd	1530	[illegible]	[illegible]	[illegible]	[illegible]
SloanSup	111	[illegible]	[illegible]	[illegible]	[illegible]
Softnet	204	[illegible]	[illegible]	[illegible]	[illegible]
eSofdgn	345	[illegible]	[illegible]	[illegible]	[illegible]
SpatialT n	470	[illegible]	[illegible]	[illegible]	[illegible]
SPDR	11753	[illegible]	[illegible]	[illegible]	[illegible]
SP Mid	236	[illegible]	[illegible]	[illegible]	[illegible]
StarHous	301	[illegible]	[illegible]	[illegible]	[illegible]
SterlE	769	[illegible]	[illegible]	[illegible]	[illegible]
SubstAbus	2016	[illegible]	[illegible]	[illegible]	[illegible]
Sulcus	644	[illegible]	[illegible]	[illegible]	[illegible]
SumtTx	116	[illegible]	[illegible]	[illegible]	[illegible]
SunNur	170	[illegible]	[illegible]	[illegible]	[illegible]
SupSrg	506	[illegible]	[illegible]	[illegible]	[illegible]
Suprmlnd	199	[illegible]	[illegible]	[illegible]	[illegible]
TelDta	766	[illegible]	[illegible]	[illegible]	[illegible]
TexBiotch	736	[illegible]	[illegible]	[illegible]	[illegible]
TexBl wt	161	[illegible]	[illegible]	[illegible]	[illegible]
TexMer	640	[illegible]	[illegible]	[illegible]	[illegible]
Thermed	1443	[illegible]	[illegible]	[illegible]	[illegible]
ThrmBio n	171	[illegible]	[illegible]	[illegible]	[illegible]
ThCdrs	1950	[illegible]	[illegible]	[illegible]	[illegible]
ThrFibr n	489	[illegible]	[illegible]	[illegible]	[illegible]
ThrFibr rt	452	[illegible]	[illegible]	[illegible]	[illegible]
ThrmFb s	272	[illegible]	[illegible]	[illegible]	[illegible]
Thrmt	212	[illegible]	[illegible]	[illegible]	[illegible]
ThrVoll s	122	[illegible]	[illegible]	[illegible]	[illegible]
Thrmotse	1236	[illegible]	[illegible]	[illegible]	[illegible]
Thmtrn	110	[illegible]	[illegible]	[illegible]	[illegible]
Thrmotx	876	[illegible]	[illegible]	[illegible]	[illegible]
Tipperary	118	[illegible]	[illegible]	[illegible]	[illegible]
TopSrce	1803	[illegible]	[illegible]	[illegible]	[illegible]
TotlPet	211	[illegible]	[illegible]	[illegible]	[illegible]
TownCty	511	[illegible]	[illegible]	[illegible]	[illegible]
TWA	6915	[illegible]	[illegible]	[illegible]	[illegible]
Tmzn	122	[illegible]	[illegible]	[illegible]	[illegible]
TrexMed n	252	[illegible]	[illegible]	[illegible]	[illegible]
Triatech	122	[illegible]	[illegible]	[illegible]	[illegible]
Triton	107	[illegible]	[illegible]	[illegible]	[illegible]
TubMex	440	[illegible]	[illegible]	[illegible]	[illegible]
UTI Eng	195	[illegible]	[illegible]	[illegible]	[illegible]
Unapix	131	[illegible]	[illegible]	[illegible]	[illegible]
Uniflab	2925	[illegible]	[illegible]	[illegible]	[illegible]
USBiosci s	686	[illegible]	[illegible]	[illegible]	[illegible]
US Cell	879	[illegible]	[illegible]	[illegible]	[illegible]
Versar	118	[illegible]	[illegible]	[illegible]	[illegible]
Viacom	572	[illegible]	[illegible]	[illegible]	[illegible]
ViacB	4690	[illegible]	[illegible]	[illegible]	[illegible]
Viac wtC	6955	[illegible]	[illegible]	[illegible]	[illegible]
Viac wtE	288	[illegible]	[illegible]	[illegible]	[illegible]
VistaG g	901	[illegible]	[illegible]	[illegible]	[illegible]
Vitronic	671	[illegible]	[illegible]	[illegible]	[illegible]
VoyNMU	190	[illegible]	[illegible]	[illegible]	[illegible]
WRIT	470	[illegible]	[illegible]	[illegible]	[illegible]
Webcolnd	225	[illegible]	[illegible]	[illegible]	[illegible]
WIRET	576	[illegible]	[illegible]	[illegible]	[illegible]
Whitme s	438	[illegible]	[illegible]	[illegible]	[illegible]
WishTc	830	[illegible]	[illegible]	[illegible]	[illegible]
WirelsT s	621	[illegible]	[illegible]	[illegible]	[illegible]
WEBAstla n	222	[illegible]	[illegible]	[illegible]	[illegible]
WEB Bel n	143	[illegible]	[illegible]	[illegible]	[illegible]
WEBFra n	204	[illegible]	[illegible]	[illegible]	[illegible]
WEB Ita n	194	[illegible]	[illegible]	[illegible]	[illegible]
WEB Jpn n	1306	[illegible]	[illegible]	[illegible]	[illegible]
WEB Spn n	175	[illegible]	[illegible]	[illegible]	[illegible]
WEB Swz n	146	[illegible]	[illegible]	[illegible]	[illegible]
WEB UK n	170	[illegible]	[illegible]	[illegible]	[illegible]
XCL Ltd	7671	[illegible]	[illegible]	[illegible]	[illegible]
Xytron	130	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	6431.33	6508.62	6451.19	6489.02	+4.62
Trans	2265.84	2271.39	2244.27	2253.05	-17.42
Util	234.00	234.98	232.11	233.65	-1.33
Comp	2036.18	2041.35	2023.21	2034.22	-4.69

Standard & Poors

	High	Low	Close	Chg.
Industrials	880.06	871.95	876.35	-1.74
Transp.	544.61	537.14	539.63	-4.78
Utilities	199.98	198.19	199.25	-0.73
Finance	83.70	82.63	83.02	-0.42
SP 500	750.40	743.28	746.93	-1.94
SP 100	730.26	722.85	726.14	-2.73

NYSE

	High	Low	Last	Chg.
Composite	394.83	391.67	393.29	-0.82
Industrials	498.34	494.11	496.39	-1.01
Transp.	353.78	349.53	350.51	-3.18
Utility	257.16	255.42	256.46	+0.23
Finance	355.38	352.36	353.42	-1.16

Nasdaq

	High	Low	Last	Chg.
Composite	1290.30	1279.39	1279.39	-9.17
Industrials	1100.91	1093.41	1093.41	-6.83
Banks	1264.20	1261.22	1261.69	-0.67
Insurance	1439.58	1433.56	1439.56	+5.98
Finance	1584.95	1580.23	1580.23	-0.84
Transp.	891.42	884.85	884.85	-5.00

AMEX

High	Low	Last	Chg.
582.51	579.73	580.98	-1.03

Dow Jones Bond

	Close	Chg.
20 Bonds	103.83	-0.04
10 Utilities	100.48	-0.47
10 Industrials	107.18	+0.40

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
SwcMer	73974	5	4⅞	4½	-⅛
PacGE	68755	22	21⅝	21⅝	-1¼
Hanson s	65681	6¼	6⅛	6⅛	—
Officmx s	56053	11⅛	10¼	10¼	-⅞
Motorola	41187	59¾	56⅝	58⅝	+1⅛
ClairStr s	38040	14⅝	11⅜	11¼	-2⅝
Compaq	34285	76¼	72⅛	72¼	-4
WalMart	28546	24	23⅝	23⅝	-⅛
AT&T s	27438	40	39⅝	40	+⅛
MicmT	26093	31⅝	30⅛	30⅝	-⅜
CocaCl s	25043	53⅛	51⅞	52⅝	-½
TimeWarn	23952	37⅝	36⅝	37⅛	-½
PepsiCo s	22259	29⅝	29⅛	29⅛	-⅜
IBM	21824	155⅛	152⅝	154⅝	-½
AmerOn	21600	37⅝	36⅞	36⅞	+⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
WorldCm s	113708	23⅝	22⅝	23⅛	+1⅛
Intel	71501	134⅝	131⅝	132⅜	-2⅛
DellCpt s	54347	55⅛	51	51⅜	-3¼
Microsft s	45691	84⅝	82⅝	82⅜	+⅛
US Diag	42015	12⅛	7⅞	9⅜	-2¹¹⁄₁₆
SunMic s	38987	29⅛	28⅛	28⅝	-⅞
Informix	37230	21⅞	20⅜	21⅛	+⅛
MFS Cm s	37028	48⅛	46⅛	48⅛	+2⅛
3Com	33563	77⅛	75⅜	76⅞	-⅞
Staples	33137	18⅛	17⅛	17⅜	-1
Cisco s	31690	65⅛	64⅛	64⅞	-⅞
AppleC	29615	24⅛	23⅛	23⅛	-⅛
Zitel s	29066	45⅛	36⅛	45⅛	+7⅜
Oracle s	28198	43⅛	42	42⅝	-⅞
Novell	26574	10	9⅝	9⅝	-⅛

AMEX

	Vol.	High	Low	Last	Chg.
Han wtB	31418	¼			-⅛
Ampex n	13483	11	9⅝	10	+⅛
SPDR	11753	75²⁹⁄₃₂	74⁹⁄₁₆	74²⁷⁄₃₂	
Hearx n	10613	2⅝	2⅛	2⅝	+⅛
IvaxCp	9130	10⅝	10¼	10⅜	
Edtek	8264	¾	⅝	⅝	+⅛
RoyalO g	7765	3⅝	3⅛	3⅛	-⅛
XCL Ltd	7671	⅛	⅛	⅛	
Viac wtC	6955	½	⅛	½	
TWA	6915	7⅞	7⅝	7⅝	+⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	1129	1616
Declined	1397	972
Unchanged	803	783
Total issues	3329	3371
New Highs	126	208
New Lows	39	48

Nasdaq

	Close	Prev.
Advanced	1653	1878
Declined	2416	2158
Unchanged	1701	1735
Total issues	5770	5771
New Highs	152	167
New Lows	165	178

AMEX

	Close	Prev.
Advanced	237	292
Declined	300	258
Unchanged	232	204
Total issues	769	754
New Highs	21	24
New Lows	12	17

Market Sales

	Today Close	Prev. cons.
NYSE	340.10	748.19
Amex	21.87	32.30
Nasdaq	427.06	628.27

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Alliance GlbEnv	-	1.13	12-31	1-10
Argentina Fd	-	.33	12-31	1-14
Asia Pacific	-	.50	12-31	1-10
Brazil Fund	-	.87	12-31	1-14
Colonial IntermHI	-	.0175	12-31	1-10
Fst Iberian	-	.27	0-0	0-0
France Grw Fd	-	.635	12-31	1-14
Lasalle Re Hld	-	.71	1-2	1-16
Latin Am Discov	-	1.2972	12-31	1-9
Malaysia Fd	-	2.7867	12-31	1-9
MorgStan Africa	-	1.1076	12-31	1-9
MorgStn EmrgMkt	-	.7776	12-31	1-9
MorgnStn GlbOpp	-	.7868	12-31	1-9
Southern Africa	-	2.575	12-31	1-10
Spain Fund	-	.155	12-31	1-10
Thai Fund	-	.1675	12-31	1-14
United Kingdom	-	.94	12-27	1-10
Wash Muti Inv	-	1.385	12-20	12-23
Worldwd DirVest	-	2.30	12-31	1-10
REVERSE STOCK SPLIT				
Am Dental 1 for 4reverse split.				
THC Homecare 1 for 8reverse split.				
INCREASED				
Idex Corp	Q	.18	1-15	1-31
INITIAL				
AbbyNIPLC ADSA	-	.3098	12-24	1-6
EXTRA				
QuestVal DiPurp	-	.185	12-31	1-13
SPECIAL				
GulfCda Resdlpfl	-	.01	12-31	1-13
New Amer HI	-	.075	12-31	1-31
USBncp PA	-	.20	1-2	1-30
YEAREND				
ACM Gv Inco	-	.04	12-31	1-17
Alliance Wld Dlr	-	.185	12-31	1-17
Austria Fd	-	.13	12-31	1-10
Cohenstr TotRet	-	.05	12-27	1-17
Cv Holdings Cap	-	.6413	12-31	1-10
Greater China	-	.12	12-31	1-17
India Grw Fd	-	.08	12-31	1-15
Integrated Hlth	-	.02	12-31	1-10
REGULAR				
Alliance AllMkt	Q	.4438	12-31	1-10
			1-14	
Cedar Fair	Q	.625	1-6	2-14

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Dec. 23, 1996

	High	Low	Close	Chge	Opint
Grains					
CORN (CBOT) 5,000 bu minimum- dollars per bushel					
Mar 97	2.66½	2.65	2.66½	-0.00¼	149,017
May 97	2.67¾	2.66¼	2.67¼	-0.01	53,515
Jul 97	2.69½	2.67½	2.68¼	-0.01½	53,095
Sep 97	2.63¼	2.61½	2.62¾	-0.01	6,476
Dec 97	2.60¾	2.58½	2.60	-0.01¼	36,738
Est. sales N.A. Fri's. sales 46,478					
Fri's open int 382,199 off 927					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Jan 97	230.70	229.40	230.50	+0.50	20,506
Mar 97	222.40	221.00	221.90	-0.20	28,049
May 97	216.50	215.50	216.30	-0.20	16,330
Jul 97	215.50	214.30	215.10	-0.20	11,087
Aug 97	213.70	213.00	213.70	-0.30	2,095
Sep 97	209.80	209.40	209.40	-0.40	1,984
Est. sales N.A. Fri's. sales 18,632					
Fri's open int 81,600 off 689					
SOYBEAN OIL (CBOT) 60,000 lbs- dollars per 100 lbs.					
Jan 97	23.05	22.71	22.79	-0.30	19,950
Mar 97	23.44	23.10	23.16	-0.30	31,485
May 97	23.75	23.47	23.51	-0.27	14,227
Jul 97	24.10	23.78	23.86	-0.34	9,855
Aug 97	24.20	23.90	23.90	-0.26	1,864
Sep 97	24.30	24.02	24.02	-0.30	1,584
Est. sales N.A. Fri's. sales 17,662					
Fri's open int 80,825 off 3803					
SOYBEANS (CBOT) 5,000 bu minimum- dollars per bushel					
Jan 97	7.02	6.98	7.00	-0.02	35,153
Mar 97	6.99	6.94½	6.96¼	-0.03	51,226
May 97	6.94½	6.90¼	6.91½	-0.03	27,024
Jul 97	6.94	6.90½	6.91¾	-0.02¾	24,766
Aug 97	6.92	6.89½	6.89½	-0.03¼	2,987
Est. sales N.A. Fri's. sales 39,461					
Fri's open int 152,659 off 2302					
WHEAT (CBOT) 5,000 bu minimum- dollars per bushel					
Mar 97	3.93	3.89½	3.90½	-0.02¼	31,700
May 97	3.69¼	3.65¾	3.67¼	-0.02½	6,618
Jul 97	3.43	3.40	3.40½	-0.03	19,538
Sep 97	3.46½	3.44	3.44	-0.02½	990
Est. sales N.A. Fri's. sales 12,479					
Fri's open int 59,564 off 722					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Feb 97	64.85	63.65	64.80	+1.22	34,347
Apr 97	65.25	64.45	65.22	+0.67	22,759
Jun 97	62.80	62.10	62.72	+0.25	9,934
Aug 97	62.52	62.05	62.45	+0.20	8,857
Oct 97	65.30	64.55	65.20	+0.25	6,130
Dec 97	67.95	67.05	67.42	+0.80	1,371
Est. sales 16,086 Fri's. sales 13,453					
Fri's open int					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Jan 97	67.20	66.00	67.15	+1.25	3,491
Mar 97	67.35	65.95	67.27	+1.42	4,615
Apr 97	67.30	66.25	67.25	+1.03	1,939
May 97	67.70	66.97	67.70	+0.78	2,781
Aug 97	69.50	68.90	69.47	+0.55	1,874
Sep 97	69.25	68.70	69.25	+0.45	322
Est. sales 2,381 Fri's. sales 1,514					
Fri's open int 15,384 up 235					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Feb 97	76.15	75.62	75.92	-0.15	14,000
Apr 97	72.10	71.60	72.05	+0.25	5,467
Jun 97	74.75	74.10	74.70	+0.28	5,174
Jul 97	71.70	71.00	71.55	+0.05	1,298
Aug 97	67.90	67.45	67.72	-0.28	882
Oct 97	61.80	61.60	61.62	-0.23	770
Est. sales 3,683 Fri's. sales 6,467					
Fri's open int 28,238 off 811					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 97	78.30	77.70	78.17	-0.63	4,638
Mar 97	78.00	77.37	77.75	-0.77	888
May 97	78.70	77.75	78.70	-0.20	580
Jul 97	78.50	77.80	78.50	+0.15	479
Aug 97	73.70	73.70	73.70	+0.20	133
Est. sales 1,132 Fri's. sales 2,237					
Fri's open int 6,710 up 89					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Mar 97	1378	1366	1368	-12	34,006
May 97	1398	1388	1389	-13	13,804
Jul 97	1421	1410	1410	-15	10,180
Sep 97	1442	1431	1431	-17	4,815
Dec 97	1451	1451	1448	-15	1,561
Est. sales 3,828 Fri's. sales 7,460					
Fri's open int 83,784 up 1314					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Mar 97	113.45	111.75	113.10	+0.95	16,248
May 97	110.80	109.25	110.60	+1.00	6,500
Jul 97	109.20	108.00	109.10	+1.00	2,105
Sep 97	107.00	106.50	107.40	+1.30	1,549
Est. sales 3,971 Fri's. sales 9,256					
Fri's open int 27,814 off 125					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Mar 97	10.76	10.70	10.75	+0.06	75,958
May 97	10.82	10.75	10.81	+0.05	31,287
Jul 97	10.80	10.75	10.80	+0.05	24,017
Oct 97	10.80	10.75	10.79	+0.04	13,637
Est. sales 4,634 Fri's. sales 7,913					
Fri's open int 150,418 off 834					
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Jan 97	86.40	82.30	82.90	-4.50	8,482
Mar 97	89.80	85.70	86.20	-4.50	15,078
May 97	93.20	88.80	89.50	-4.30	3,662
Jul 97	94.80	91.95	92.55	-4.40	874
Est. sales N.A. Fri's. sales 6,680					
Fri's open int 27,712 up 931					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Dec 96	370.00	369.10	369.40	+0.10	187
Jan 97			369.90	+0.10	
Feb 97	371.10	370.40	370.60	+0.10	88,975
Apr 97	373.00	372.30	372.80	+0.20	22,266
Jun 97	375.30	374.90	375.20	+0.20	15,715
Aug 97			377.40	+0.20	5,455
Oct 97			380.10	+0.20	2,351
Dec 97	383.00	382.40	382.40	+0.20	14,368
Est. sales 15,000 Fri's. sales 14,550					
Fri's open int 183,540 off 1089					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Dec 96	103.00	101.20	101.30	-1.30	2,261
Jan 97	102.10	101.10	101.15	-0.85	5,722
Feb 97	100.40	99.10	99.45	-0.95	1,324
Mar 97	99.60	98.50	98.55	-0.85	21,363
Apr 97			97.45	-0.75	932
May 97	97.20	96.20	96.25	-0.85	4,307
Jun 97			95.40	-0.80	764
Jul 97	95.60	95.00	94.55	-0.75	3,508
Aug 97			93.90	-0.65	574
Est. sales 6,000 Fri's. sales 5,376					
Fri's open int					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Dec 96	481.5	481.0	481.2	+0.4	45
Jan 97	479.5	479.5	481.4	+0.5	18
Feb 97			483.8	+0.5	2
Mar 97	487.5	485.0	486.3	+0.5	54,913
May 97	492.5	489.5	490.9	+0.5	9,370
Jul 97	496.5	495.0	495.4	+0.5	8,368
Sep 97			500.0	+0.5	2,942
Dec 97			506.8	+0.5	4,741
Est. sales 6,000 Fri's. sales 14,520					
Fri's open int 82,594 up 114					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jan 97	377.00	374.50	375.00	-0.30	9,973
Apr 97	378.50	376.50	376.70	-0.30	14,892
Jul 97	380.50	380.50	380.50	+0.80	2,018
Est. sales N.A. Fri's. sales 4,332					
Fri's open int 20,078 off 10614					

LONDON METALS (LME)
Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1518½	1519½	1524.00	1525.00
Forward	1551.00	1552.00	1556.00	1556½
Copper Cathodes (High Grade)				
Spot	2228.00	2233.00	2275.00	2280.00
Forward	2131.00	2133.00	2169.00	2170.00
Lead				
Spot	703.00	704.00	714.00	715.00
Forward	707.00	707½	715.00	716.00
Nickel				
Spot	6415.00	6425.00	6610.00	6620.00
Forward	6520.00	6530.00	6710.00	6720.00
Tin				
Spot	5715.00	5725.00	5730.00	5740.00
Forward	5765.00	5770.00	5780.00	5790.00
Zinc (Special High Grade)				
Spot	1040.00	1041.00	1049½	1050½
Forward	1063.00	1064.00	1072½	1073.00

	High	Low	Close	Chge	Opint
Financial					
US T. BILLS (CMER) $1 million- pts of 100 pct.					
Mar 97	94.99	94.95	94.95	-0.03	3,968
Jun 97	94.86	94.86	94.86	-0.01	2,482
Sep 97			94.74		29
Est. sales N.A. Fri's. sales 163					
Fri's open int 6,479 off 90					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Mar 97	107-015	106-26	106-305	— 005	145,245
Jun 97			106-215	— 005	2,698
Est. sales 11,500 Fri's. sales 21,042					
Fri's open int 150,392 off 4608					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Dec 96			108-10	— 07	10,549
Mar 97	109-27	109-14	109-22	+ 01	279,782
Jun 97	109-06	109-01	109-03	+ 01	10,544
Est. sales 22,456 Fri's. sales 49,757					
Fri's open int 297,995 up 5074					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Mar 97	113-20	113-08	113-14	+ 04	479,960
Jun 97	113-03	112-19	112-30	+ 05	15,393
Sep 97			112-15	+ 05	5,121
Dec 97			112-01	+ 05	3,782
Est. sales 125,000 Fri's. sales 209,191					
Fri's open int 462,428 off 23143					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Mar97	100.69	100.42	100.65	+ 0.17	221,920
Jun97	N.T.	N.T.	99.76	+ 0.17	
Est. sales: 12,826. Prev. sales: 70,323					
Prev. open int.: 222,169 up 1,579					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Dec96	110-15	109-31	110-23	+ 0-23	3,456
Mar97	109-30	109-02	109-29	+ 0-23	130,778
Jun97	N.T.	N.T.	109-07	+ 0-23	
Est. sales: 14,333. Prev. sales: 22,669					
Prev. open int.: 134,216 off 2,399					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Mar 97	128.86	128.72	128.82	+0.06	123,253
Jun 97	127.52	127.46	127.52	+0.06	6,896
Sep 97	125.46	125.46	125.52	+0.06	0
Est. volume: 19,424. Open int.: 139,452 off 42,296.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Mar97	128.77	128.45	128.50	- 0.10	88,614
Jun97	N.T.	N.T.	128.02	- 0.10	89,914
Est. sales: 9,251. Prev. sales: 16,104					
Prev. open int.: 89,914 off 433					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Jan 97	94.500	94.480	94.490	-10	20,956
Feb 97	94.470	94.460	94.470	-10	4,296
Mar 97	94.460	94.450	94.450		414,044
Jun 97	94.330	94.290	94.310	-10	393,556
Mar 00	93.440	93.410	93.410	-10	38,993
Jun 00	93.370	93.330	93.380		35,747
Sep 00	93.320	93.280	93.280		31,879
Dec 00	93.250	93.210	93.230		25,311
Est. sales N.A. Fri's. sales 218,418					
Fri's open int 2,862,887 off 7236					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Dec 96			1.6600	-64	7
Mar 97	1.6744	1.6656	1.6730	-66	25,389
Jun 97	1.6700	1.6628	1.6690	+64	2,152
Sep 97			1.6644	+62	1,027
Est. sales N.A. Fri's. sales 4,345					
Fri's open int 28,575 up 87					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Mar 97	.7368	.7348	.7359	+7	47,953
Jun 97	.7405	.7388	.7397	+8	11,037
Sep 97			.7430	+9	3,824
Dec 97			.7461	+10	302
Est. sales N.A. Fri's. sales 1,324					
Fri's open int 63,117 off 4					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Dec 96			.6481	-10	17
Mar 97	.6483	.6455	.6464	-10	47,184
Jun 97	.6510	.6497	.6503	-10	4,368
Sep 97			.6542	-10	1,693
Est. sales N.A. Fri's. sales 8,373					
Fri's open int 53,262 off 334					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Dec 96			.009216	+17	7
Mar 97	.008883	.008849	.008871	+17	52,844
Jun 97	.008988	.008979	.008985	+17	1,426
Est. sales N.A. Fri's. sales 9,322					
Fri's open int 54,362 off 599					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Mar 97	.7560	.7518	.7534	-17	43,594
Jun 97	.7610	.7596	.7601	-17	1,387
Sep 97	.7676	.7670	.7669	-17	1,800
Est. sales N.A. Fri's. sales 8,564					
Fri's open int 46,787 off 1046					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Mar97	93.30	93.28	93.29	Unch.	98,699
Jun97	93.05	93.03	93.04	Unch.	86,799
Sep97	92.87	92.85	92.87	+ 0.01	57,466
Dec97	92.71	92.68	92.70	+ 0.01	43,102
Mar98	92.58	92.55	92.58	+ 0.01	32,600
Jun98	92.49	92.46	92.48	Unch.	23,008
Sep98	92.42	92.38	92.41	+ 0.02	18,452
Dec98	92.31	92.29	92.30	Unch.	16,421
Mar99	92.24	92.22	92.24	- 0.02	7,948
Jun99	92.16	92.16	92.16	- 0.01	5,416
Sep99	92.12	92.12	92.12	+ 0.01	4,492
Dec99	92.10	92.10	92.10	Unch.	14
Est. sales: 12,041. Prev. sales: 21,170					
Prev. open int.: 394,617 up 260					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Mar97	96.87	96.86	96.86	- 0.01	209,845
Jun97	96.82	96.79	96.82	+ 0.01	169,859
Sep97	96.69	96.68	96.68	Unch.	139,620
Dec97	96.50	96.48	96.49	Unch.	124,924
Mar98	96.27	96.26	96.27	Unch.	82,681
Jun98	95.99	95.98	95.99	+ 0.01	66,880
Sep98	95.71	95.70	95.70	Unch.	61,425
Dec98	95.39	95.38	95.39	Unch.	54,184
Mar99	95.12	95.12	95.12	+ 0.01	35,375
Jun99	94.85	94.84	94.84	+ 0.01	20,577
Sep99	94.59	94.57	94.58	+ 0.01	14,398
Dec99	94.28	94.28	94.30	+ 0.01	1,361
Est. sales: 16,168. Prev. sales: 55,802					
Prev. open int.: 981,049 off 2,509					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Mar97	93.61	93.46	93.48	- 0.12	93,253
Jun97	93.97	93.83	93.85	- 0.14	53,948
Sep97	94.11	93.98	94.02	- 0.11	29,909
Dec97	94.13	94.02	94.03	- 0.10	15,786
Mar98	94.07	94.01	94.02	- 0.05	12,321
Jun98	N.T.	N.T.	93.94	- 0.05	2,303
Est. sales: 12,546. Prev. sales: 14,846					
Prev. open int.: 207,420 off 143					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Mar 97	96.70	96.69	96.69	+0.00	60,384
Jun 97	96.68	96.66	96.67	+0.00	35,021
Sep 97	96.61	96.60	96.61	+0.01	27,177
Dec 97	96.52	96.49	96.52	+0.02	19,473
Mar 98	96.38	96.36	96.37	+0.00	14,914
Jun 98	96.16	96.15	96.16	+0.00	12,166
Sep 98	95.92	95.89	95.92	+0.02	11,160
Dec 98	95.61	95.60	95.61	+0.00	8,223
Mar 99	95.32	95.32	95.32	+0.01	11,141
Jun 99	95.04	95.03	95.02	+0.01	5,617
Sep 99	94.79	94.79	94.78	+0.02	2,265
Dec 99	94.52	94.52	94.52	+0.02	545
Est. volume: 6,392. Open int.: 216,286 up 912					
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Mar 97	76.10	75.67	75.71	-0.39	24,319
May 97	77.20	76.85	76.95	-0.33	11,736
Jul 97	77.95	77.70	77.85	-0.20	7,242
Oct 97			77.50	-0.07	1,207
Dec 97	77.30	77.00	77.15	-0.05	9,734
Mar 98	78.00	77.98	78.05		481
Est. sales N.A. Fri's. sales 3,848					
Fri's open int 55,640 up 204					
HEATING OIL (NMER) 42,000 gal- cents per gal					
Jan 97	73.80	70.85	70.85	-2.12	23,616
Feb 97	71.75	70.00	70.00	-1.95	32,827
Mar 97	68.70	67.60	67.60	-1.55	13,794
Apr 97	65.00	64.20	64.70	-0.50	8,634
May 97	61.55	61.25	61.55	-0.35	4,236
Jun 97	59.25	59.15	59.25	-0.25	5,156
Jul 97	58.60	58.20	58.60	-0.33	3,257
Aug 97	58.50	58.20	58.50	-0.50	1,202
Est. sales N.A. Fri's. sales 32,218					
Fri's open int 107,568 off 2123					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl					
Jan 97	19.91	19.86	19.21	-0.19	12,138
Feb 97	25.17	24.68	24.79	-0.29	102,287
Mar 97	24.50	24.12	24.15	-0.29	36,384
Apr 97	23.82	23.45	23.52	-0.28	22,312
May 97	23.06	22.90	22.91	-0.26	17,371
Jun 97	22.51	22.28	22.33	-0.23	27,332
Jul 97	21.90	21.82	21.82	-0.20	14,589
Aug 97	21.52	21.36	21.39	-0.20	13,149
Sep 97	21.03	21.03	20.98	-0.20	12,610
Oct 97	20.65	20.65	20.60	-0.20	8,558
Nov 97	20.32	20.32	20.27	-0.20	8,321
Dec 97	20.17	20.04	20.00	-0.19	24,394
Jan 98			18.72	-0.18	2,218
Est. sales N.A. Fri's. sales 59,816					
Fri's open int 352,105 off 9640					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Jan 97	4.430	4.050	4.150	-423	29,404
Feb 97	3.640	3.500	3.660	-260	33,608
Mar 97	3.285	3.111	3.180	-81	17,989
Apr 97	2.620	2.467	2.580	-17	10,328
May 97	2.385	2.220	2.367		7,963
Jun 97	2.290	2.170	2.290	+18	7,373
Jul 97	2.269	2.220	2.260		7,050
Aug 97	2.265	2.220	2.250	-2	6,497
Sep 97	2.260	2.210	2.250		6,131
Oct 97	2.260	2.220	2.250	-5	6,314
Nov 97	2.355	2.305	2.355	+15	3,656
Est. sales N.A. Fri's. sales 50,563					
Fri's open int 166,882 up 2846					
UNLEADED GASOLINE (NMER) 42,000 gal- cents per gal					
Jan 97	69.75	68.50	68.90	-1.29	17,363
Feb 97	68.90	67.90	68.25	-0.87	25,257
Mar 97	68.80	67.60	67.90	-0.77	11,402
Apr 97	69.90	69.40	69.47	-0.70	5,086
May 97	69.20	68.70	68.87	-0.65	3,475
Jun 97	68.00	67.50	67.57	-0.55	3,233
Est. sales N.A. Fri's. sales 21,598					
Fri's open int 68,833 up 1142					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Jan 97	214.00	210.50	211.50	-3.50	24,341
Feb 97	212.50	210.50	210.50	-3.00	16,389
Mar 97	206.00	204.75	205.25	-2.50	8,525
Apr 97	198.25	196.75	197.75	-1.75	6,931
May 97	192.25	191.50	191.75	-1.75	3,199
Jun 97	187.00	186.50	186.50	-2.00	7,392
Jul 97	185.75	185.50	185.25	-1.75	2,627
Aug 97	185.50	183.75	184.50	-2.00	800
Sept 97	183.00	183.00	183.75	-2.25	508
Oct 97	184.50	184.50	186.25	+0.75	891
Nov 97	N.T.	N.T.	183.00	-2.25	67
Est. sales: 15,852. Open int.: 73,834 up 1,187					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Feb 97	23.55	23.16	23.19	-0.27	58,631
Mar 97	23.00	22.59	22.61	-0.30	32,780
Apr 97	22.35	22.10	22.10	-0.25	15,693
May 97	21.75	21.52	21.52	-0.26	11,293
June 97	21.14	20.95	20.96	-0.26	12,541
July 97	20.57	20.50	20.49	-0.26	9,883
Aug 97	20.18	20.08	20.11	-0.24	2,194
Sep 97	N.T.	N.T.	19.78	-0.22	4,885
Oct 97	19.48	19.44	19.49	-0.18	3,147
Nov 97	N.T.	N.T.	19.22	-0.15	2,207
Est. sales: 29,657. Open int.: 157,546 up 2,916					
Stock Indexes					
S&P COMP. INDEX (CMER) 500 x index					
Mar 97	758.30	749.20	753.10	-4.15	182,462
Jun 97	764.50	756.00	759.40	-4.20	5,482
Sep 97	771.70	763.50	770.50	-0.10	1,417
Est. sales N.A. Fri's. sales 67,622					
Fri's open int 252,809 off 1876					
FTSE 100 (LIFFE) £25 per index point					
Dec 22,187					
Mar97	4097.0	4064.0	4091.0	+ 12.0	53,387
Jun97	N.T	N.T	4113.0	+ 12.0	2,584
Est. sales: 3,490. Prev. sales: 26,150					
Prev. open int.: 78,168 up 7,999					
CAC 40 (MATIF) FF200 per index point					
Dec 96	2296.0	2272.0	2296.0	+16.00	22,823
Jan 97	2301.0	2276.5	2300.5	+16.50	8,795
Feb 97	2302.0	2284.0	2305.0	+16.00	2,025
Mar 97	2310.5	2286.5	2317.0	+16.50	12,104
Jun 97	N.T.	N.T.	2280.0	+16.00	365
Sep 97	N.T.	N.T.	2283.5	+16.00	6,356
Mar 98	N.T.	N.T.	2319.0	+16.00	4,468
Sep 98	N.T.	N.T.	2295.5	+16.00	660
Est. volume: 36,364. Open int.: 57,766 up 829.					

Commodity Indexes

	Close	Previous
Moody's	N.A.	1,438.90
Reuters	1,877.80	N.A.
D.J. Futures	146.59	146.82
CRB	243.80	245.70

Renault Chief Sees Europe's Car Market Shrinking in 1997

Compiled by Our Staff From Dispatches

PARIS — Renault's chairman, Louis Schweitzer, expects the European car market to contract in 1997, according to a published report, making the business environment for the automaker even more difficult than this year's.

"The environment will be much more difficult than in 1996," Mr. Schweitzer told the French daily La Tribune in an interview published Monday. "Why? Because we expect a slight decline in the European market. The fall should be in line with our forecast for the French market, which we see going from 2.1 million units to 1.9 million."

Mr. Schweitzer also confirmed his forecast of a loss for Renault in 1996 and said the second half had been more difficult than the first.

"In a difficult economic context, and given that price wars and discounts are even more brutal than expected in France, I must unfortunately report an accentuation of this trend," he said. But Renault's shares rose Monday, closing at 111 French francs ($21.19), up 6.90, because Mr. Schweitzer hinted that Renault would continue to pay a dividend.

Mr. Schweitzer said the company aimed for a "smooth" dividend policy in which dividend payments would not be disrupted by fluctuations in the economic cycle.

"At the moment of going public, we said we would try to smooth over cyclical developments in our relations with our shareholders," he said. "I haven't changed my mind."

Mr. Schweitzer said Renault's shares were trading below their net asset value because of the company's weak results. "If you consider Renault as a medium or long-term investment, there is substantial potential for a rise," he said.

Renault has been one of the worst performers on the Paris exchange this year, recording a fall of about 28 percent as of the end of last week.

"There were some concerns that the company wouldn't pay a dividend, but it now seems that that will happen," said Lauren Mace, a trader at Nomura Bourse.

The company reported a net profit of 158 million francs ($30.2 million) for the first half of the year, down from a profit of 1.76 billion francs in the first half of last year.

Mr. Schweitzer said cost-cutting had only been able to offset a declining market share and had not resulted in any bottom-line improvements. He said the company had cut costs by about 1,500 francs per vehicle this year and was on track to cut costs by 3,000 francs a vehicle by the end of 1997.

Mr. Schweitzer said he did not expect price wars with other carmakers to end in 1997.

He also said he expected no further French government subsidies for new-car purchases after a set of such measures ran out at the end of September.

"We are in a new situation in which the price of a car is falling in constant francs and also, no doubt, in current francs," he said.

Renault's French competitor, PSA Peugeot-Citroen SA, is more optimistic about the French car market. Jacques Calvet, the president of Peugeot, forecast this month that Europe would absorb about 12.7 million private cars in 1996 and 1997, but he also predicted the French market would decline, to 1.93 million vehicles.

(AFX, Bloomberg, AFP)

Bid for Fokker By Samsung Called Possible

Reuters

AMSTERDAM — Samsung Co. of South Korea is still interested in taking over the bankrupt Dutch airplane maker Fokker NV, Korean media reported Monday, according to the Dutch news agency ANP.

Samsung will restart talks with Fokker's receivers next year, the reports said. Fokker went bankrupt in March after Daimler-Benz AG of Germany withdrew its financial support. Fokker's receivers broke off talks with Samsung in November after a series of deadlines expired.

The South Korean government has signaled it will offer financial aid for a Fokker takeover, some reports said.

Korean media said Samsung continued to seek potential partners in a Fokker takeover. Daewoo Corp., Hyundai Corp. and Korean Air Lines Co. have all been mentioned.

For Samsung, Fokker could be a shortcut into the global aerospace industry, but the company has been reluctant to assume all the risks and wants substantial investment by the Dutch government.

Holiday Sales Cheer Britain

But Seasonal Business Slackens on Continent

The Associated Press

LONDON — As the Christmas shopping season winds down, British merchants are happy to hear a little more jingle in the cash box.

But Scrooge was making an appearance elsewhere in Europe.

Some store owners in France complained that they were not seeing enough of a recovery from the sales disaster brought on by strikes in transportation and other public sectors late last year. German retailers were frustrated that longer store opening hours, introduced last month, were not bringing in any more money.

As always, indecision bedeviled many last-minute shoppers.

"If you know what you want, it's fun," said Tina Nordqvist, a student from the Dalarna region of Sweden who was checking out the merchandise on London's crowded Oxford Street.

"When you wait until three days before, it's a rush," she said. "You have to get something, and it's no good."

But merchants indicated they would be content as long as the shoppers decided on something.

"We are seeing more customers out and about," said Ruth Parkhouse at the British Retail Consortium. "They are spending more money, but there has been a bit of hype that it will be a bumper Christmas. Consumers are still cautious."

The retail group declined to make any sales predictions, but Ms. Parkhouse cited a survey suggesting that the average Briton would spend 7.3 percent more this holiday season than last. But that extra spending might not necessarily be by choice.

"Things are more expensive," said Margaret Newlyn, a Londoner waiting for a friend on Oxford Street.

In addition, some small merchants feel left out of the rush.

"Nobody's got any money, and what they have got, they're holding on to," said Jimmy White, who has spent the past 10 seasons selling candles from an outdoor stand. Mr. White said he could not remember things being much slower. But still, he said, "It could be worse. I could be selling fruit."

Just up the road, a fruit dealer confirmed business was a bust.

His roasting chestnuts were blackened, apparently after roasting for a long time with no takers.

Tough times were also common around Continental Europe.

"It's catastrophic," said Susie Goeigoei, a saleswoman at Anna Lowe, a women's clothing store on the stylish Rue du Faubourg St. Honore in Paris.

"The French aren't buying," she said. "We always hope for a better year, but for the moment, it's the same as last year."

Christmas 1995 was brutal for on French merchants, as strikes paralyzed the country for weeks just before the holiday.

German retailers took the radical step this year of extending business hours during weekdays and on Saturdays, but to no avail. Things looked gloomy as the Germans tallied sales for three of the four Saturdays before Christmas.

"Each of these Saturdays, we had losses, and regretfully it wasn't much different during the week, so that we must reckon with declining turnover in comparison to last year," said Thomas Werz of the national retailers' association.

Germans will consider it a victory if they manage to match last year's results, he said.

In Geneva, recession-plagued Swiss shoppers were being careful with their francs, even as stores took advantage of new laws that permitted pre-Christmas sales.

"The economic situation is very delicate, and it's having an impact on shopping," said Sophie Desbaillets of Geneva's Downtown Economic Federation.

U.K. Utility Will Appeal Takeover

Compiled by Our Staff From Dispatches

LONDON — Trading in shares of Northern Electric PLC was suspended Monday after the utility contested a ruling that extended the deadline for a £923 million ($1.54 billion) bid by a U.S. venture led by CalEnergy Inc.

An appeal against the decision to extend the deadline for bid acceptances will be heard by the takeover panel's executive body, Peter Lee, a spokesman for the panel, said.

If the appeal is rejected, Northern Electric will become the fourth British electricity supplier to fall into U.S. hands. Two other bids from American companies for U.K. utility companies are still pending.

In an unprecedented move Friday, the appeals committee of the takeover panel extended the bid after Northern's brokerage firm, Barclays de Zoete Wedd, the investment-banking arm of Barclays PLC, said the company had paid it a previously undisclosed performance fee of £250,000. BZW also admitted buying Northern shares to try to foil the bid.

The extension made the difference between success and failure for CE Electric UK, the bid vehicle for CalEnergy, a geothermal power producer based in Nebraska, and for Peter Kiewit Sons' Inc., a construction company.

CE Electric said Monday it owned or had received acceptances for 50.13 percent of the stock. At the original deadline of 1 P.M. local time Friday, the U.S. company held only 49.77 percent of Northern's stock.

Northern requested that dealing in its shares be suspended until it had appealed. Northern's shares were suspended at 641 pence, below the bid price of 650 pence, until further notice. The takeover panel said it would not publish its reason for extending the bid until the outcome of the appeal process was known.

But the panel did bar Barclays de Zoete Wedd and Schroders PLC, another of Northern's financial advisers, from buying any more shares in the company on the market should trading resume. It also allowed CalEnergy to count acceptances it received after the original deadline Friday. Northern Electric distributes and supplies electricity to 1.5 million customers in northeastern England.

Many analysts said they still expected CalEnergy to win, reasoning that regulatory authorities were more likely to uphold a decision than to reverse one.

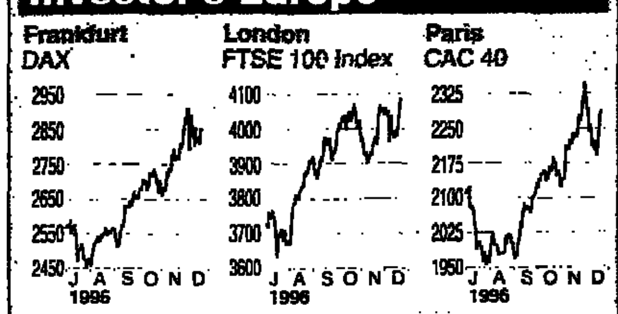
"It looks as if it's blowing the Americans' way," said David Campbell, an analyst at Greig Middleton & Co.

On Thursday, the panel rejected an appeal by CalEnergy that charged that Barclays de Zoete Wedd and Schroders had bought 2.4 percent of Northern's stock to frustrate the bid.

It did not disclose the discretionary payment, which BZW denied was linked to the share transaction.

(Bloomberg, AFP, AFX)

Investor's Europe



Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	EOE	635.03	632.71	+0.37
Brussels	BEL-20	1,882.34	1,885.13	-0.15
Frankfurt	DAX	2,845.57	2,854.45	-0.31
Copenhagen	Stock Market	466.23	464.15	+0.45
Helsinki	HEX General	2,461.75	2,451.75	+0.41
Oslo	OBX	518.69	517.83	+0.17
London	FTSE 100	4,087.20	4,077.60	+0.24
Madrid	Stock Exchange	431.01	428.57	+0.57
Milan	MIBTEL	10,487.00	10,461.00	+0.25
Paris	CAC 40	2,287.44	2,278.53	+0.39
Stockholm	SX 16	2,466.52	2,471.05	-0.18
Vienna	ATX	1,123.74	1,127.45	-0.33
Zurich	SPI	2,475.19	2,481.68	-0.26

Source: Telekurs — International Herald Tribune

Very briefly:

- **Federmecanica,** the Italian industry association, rejected a contract for 1.5 million metal-industry workers proposed by the government, the news agency ANSA reported. The breakdown of the negotiations damped hopes for a rate cut by the Bank of Italy and drove Italian bond prices sharply lower.
- **CS Holding AG,** as part of the sale of its stake in **Elektrowatt AG,** said **Siemens AG** would buy its 44.5 percent interest in Elektrowatt's building services division for about 1.1 billion Swiss francs ($825.3 million).
- **Gerrit Zalm,** the Dutch finance minister, submitted plans for a transition to the European single currency, the euro, including the conversion of existing national debt, in 2002, a Dutch newspaper reported.
- **Robeco Groep,** a Dutch property investment fund, agreed to buy **Argyll Property Asset Managers Ltd.** from **Scottish Amicable Investments Managers Ltd.;** the price was not disclosed.
- **Istituto Nazionale delle Assicurazioni SpA,** an Italian insurance company, will swap its own bank operations for **Banco Nazionale del Lavoro's** life-insurance unit as part of its joint plan with BNL to buy **Banco di Napoli SpA.**
- **HSBC Holdings PLC's** subsidiary, British Bank of the Middle East, will buy two branches of **Habib Bank AG Zurich** in Seeb and Salalah, Oman.
- **Henkel KGaA,** a German chemical manufacturer, will extend its takeover bid for **Loctite Corp.** of the United States to Jan. 3.
- **Finland's** gross domestic product rose 3.8 percent in the third quarter from a year earlier and 2.1 percent from the second quarter.
- **Spain's** wages of industrial, construction and service-sector workers rose 4.6 percent in the third quarter of this year from a year earlier, according to the national statistics institute.
- **Bank of Israel** will reduce the rate at which it lends to banks by half a percentage point, to 14.7 percent, as of Thursday.
- **Sears PLC** confirmed reports that it was in an advanced stage of discussions with **Littlewoods Organization** on the sale of its home shopping unit, Freemans.
- **Roche Holding AG** will buy **Rhone-Poulenc Rorer Inc.'s** European vitamin and tonic brands; terms were not disclosed.

Bloomberg, Reuters, AFX, AFP, Bridge News

WORLD STOCK MARKETS

Monday, Dec. 23
Prices in local currencies.
Telekurs

Amsterdam EOE index: 635.03 Previous: 632.71

	High	Low	Close	Prev.
ABN-AMRO	111.20	110	111	110.80
Aegon	100.10	98.20	100.10	98.70
Ahold	108.50	107.60	108	108.30
Akzo Nobel	234.90	233.40	234.80	234.50
Boon Co.	59.50	58.60	58.70	59.20
Bols Wess cva	31.60	31.30	31.40	31.40
CSM cva	94.90	93.70	94.80	94.40
Dordtsche Pet	314.20	309.20	313.90	311.70
DSM	167.90	167	167.30	167.80
Elsevier	28.80	28.40	28.80	28.50
Fortis Amev	59.50	58.50	59.40	58.80
Getronics	46.40	45.10	46.40	45.80
G-Broc cva	52.40	51.80	51.90	52.20
Hagemeyer	139.50	138.60	139.20	139.40
Heineken	302.50	299.50	301.80	301.20
Hoogovens cva	72.20	71.30	72	72.30
Hunt Douglas	117.30	116	117	117.50
ING Group	60.50	59.60	60.20	60.40
KLM	48.50	47.40	48.50	47.30
KNP BT	36.10	35.30	35.70	35.90
KPN	65.70	65	65.50	65.20
Nedlloyd Gp	47.20	46.20	47.10	46.80
Nutricia	264.80	262.50	262.70	263.40
Oce Grinten	186	184	185.80	185.90
Philips Elec	69.90	69	69.80	69.80
Polygram	86	84	85.70	85.30
Randstad Hdg	129.80	128	129	129
Robeco	141.70	141.30	141.30	141.90
Rodamco	49.80	49.40	49.80	49.50
Rolinco	148	147.50	147.50	147.50
Rorento	105.50	105.30	105.30	105.50
Royal Dutch	297.70	294.80	297	295.70
Unilever cva	302.50	298.20	300.50	298.20
Vendex Intl	73.10	71.20	73.10	70.70
VNU	35.40	34.50	35.20	35.10
Wolters Kl cva	226.70	223.70	226.20	225.30

Bangkok SET index: 819.79 Previous: 816.79

	High	Low	Close	Prev.
Adv Info Svc	240	214	236	228
Bangkok Bk F	268	256	262	268
Krung Thai Bk	51.50	47.75	51	48.75
PTT Explor	368	360	368	370
Siam Cement F	772	764	772	764
Siam Com Bk F	179	167	176	180
Telecomasia	53.50	51	53	52.50
Thai Airways	36.25	33.75	34.75	36.75
Thai Farm Bk F	166	118	158	170
Utd Comm	171	152	171	163

Bombay Sensex 30 index: 3093.04 Previous: 3110.19

	High	Low	Close	Prev.
Bajaj Auto	852	832	839.75	843.50
Hindust Lever	823.50	805.25	812	818.50
Hindust Petlm	337.50	333.75	333.50	337.50
Ind Dev Bk	89.25	87.50	87.75	87.50
ITC	303	294.50	303	296.75
Mahanagar Tel	239.75	223.75	238	235.25
Reliance Ind	205.50	200.25	201.75	205
State Bk India	229.25	224.50	225.25	228
Steel Authority	19.50	18.75	19	19.25
Tata Eng Loco	344	335.50	339	341.75

Brussels BEL-20 index: 1882.34 Previous: 1885.13

	High	Low	Close	Prev.
Almanij	10475	10400	10425	10405
Barco Ind	5510	5450	5480	5500
BBL	6670	6600	6650	6640
Bekaert	19900	19650	19650	19580
CBR	2880	2835	2850	2865
CNP	1945	1945	1945	1950
Cobepa	1214	1200	1208	1210
Cockerill	115	113	114	112
Colruyt	14450	14200	14425	14475
Delhaize Lion	1870	1825	1855	1840
Electrabel	7630	7570	7620	7640
Electrafina	3080	2970	2995	3000
Fortis AG	5010	4955	5010	4965
Gevaert	2070	2015	2050	2010
GIB	1432	1420	1426	1424
GBL	4180	4090	4095	4090
Gen Banque	11525	11300	11475	11525
Kredietbank	10300	10125	10200	10200
Petrofina	10375	10125	10225	10375
Powerfin	4760	4730	4760	4770
Royale Belge	6530	6400	6490	6460
Soc Gen Belg	2420	2405	2415	2430
Solvay	19500	19400	19450	19425
Tractebel	14750	14625	14700	14650
UCB	82500	80050	80700	81250
Union Miniere	2190	2125	2150	2165

Copenhagen Stock index: 466.23 Previous: 464.15

	High	Low	Close	Prev.
BG Bank	276	271	274	272
Carlsberg B	390	384	387	385
Codan Foss	790	790	790	790
Danisco	358	355	364	350
Den Danske Bk	468	453	468	457
D/S Svenborg B	217500	216500	217500	215000
D/S 1912 B	150000	145854	149500	149000
FLS Ind B	750	746.50	750	750
Kob Lufthavne	610	608	605	603.50
Novo Nordisk B	1061	1037	1040	1040
Sophus Ber B	757	742.25	757	744.60
Tele Danmk B	317	309	317	313
Tryg Baltica	299	295	298	297
Unidanmark A	305	294	304	299

Frankfurt DAX: 2845.57 Previous: 2854.45

	High	Low	Close	Prev.
AMB B	1080	985	1000	1080
Adidas	133	132	132	134.50
Allianz Hdg	2777	2768	2777	2774
Altana	1225	1200	1200	1220
Bk Berlin	27.80	27.70	27.70	27.65
BASF	58.90	58.50	58.70	59.41
Bayer Hypo Bk	45.95	45.50	45.95	45.59
Bay.Vereinsbank	63.90	63.30	63.80	64.40
Bayer	61.23	60.77	60.80	61.80
Beiersdorf	76.50	75.20	74.50	74.80
BMW	1056	1051	1055	1052.50
Commerzbank	38.85	38.75	38.80	39.20
Daimler Benz	102.75	101.30	102.60	102.75
Degussa	690	671	690	672
Deutsche Bank	71.40	71.20	71.35	71.48
Dt Telekom	32.47	32.30	32.40	32.48
Dresdner Bank	45.45	45.30	45.35	45.33
Fresenius	309.50	305.50	309.50	307
Fresenius Med	133.20	132	132.30	134.20
Fried. Krupp	243	242.50	243	244.50
Gehe	97.70	95.50	97.60	97.50
Heidelbg Zmt	123	122	123	123
Henkel pfd	76.85	75.20	75.20	76.90
Hochtief	61	60.80	61	61.60
Hoechst	70.60	70.35	70.48	70.95
Karstadt	521	513	515	521.80
Linde	926	923	926	926
Lufthansa	20.70	20.50	20.70	20.50
MAN	372.80	363	366	371.80
Mannesmann	656	653	655	654.50
Metallgesellschaft	31.48	31.28	31.48	31.38
Metro	122.50	121.50	121.50	122.20
Munch Rueck R	3790	3780	3783	3790
Preussag	346.50	337.50	341	345.40
RWE	64.20	63.80	64.20	63.90
SAP pfd	218	212	215	211.30
Schering	130.10	129.60	130.10	130.50
Siemens	71.50	71.30	71.42	71.20
Thyssen	269	267.50	268.80	269
Veba	88.38	88.31	88.37	88.55
VEW	509	505	509	507
Viag	606.50	596	598.10	607
Volkswagen	635.50	632.50	633	635

Helsinki HEX General index: 2461.75 Previous: 2451.75

	High	Low	Close	Prev.
Cultor I	245	238	245	235
Enso A	36.80	35.90	36	36.20
Huhtamaki I	214	208	214	208
Kemira	59	58	58	58
Kesko	64.50	63	63.10	63.50
Merita A	14.40	14	14.20	14.20
Metra B	258	256	258	258
Metsa-Serla B	35	34	35	34
Neste	113	111	112.70	111
Nokia A	262.40	261	262.50	262.50
Orion-Yhtymae	170	167	169	164.50
Outokumpu A	78.90	77.10	78	78.20
Rautaruukki	43.20	42.30	42.50	42.20
Sampo Insur	348	340	348	340
UPM-Kymmene	94.68	93.60	94.50	93.90
Valmet	81	80.30	80.30	79.70

Hong Kong Hang Seng: 13337.48 Previous: 13131.41

	High	Low	Close	Prev.
Amoy Props	11.10	10.90	11	10.80
Bk East Asia	34.40	33.60	34.30	33.40
Cathay Pacific	12.30	12.05	12.15	12.20
Cheung Kong	70	66.50	68.75	66
CK Infrastruct	19.10	18.50	19.05	18.45
China Light	33.50	33.10	33.40	33.50
China Overs Ld	3.45	3.38	3.43	3.30
China Res Ent	14.65	13.80	14.55	13.55
Chin Estates	8.70	8.60	8.70	8.70
Citic Pacific	41.40	40.70	41.10	40.50
Cons Elec Pwr	18.15	18.10	18.15	18.10
Cosco Pacific	8.05	7.85	8.05	8.05
Dao Heng Bk	36	35.20	35.80	35.10
First Pacific	9.75	9.60	9.65	9.70
Great Eagle	32.90	31.50	32.90	31.50
Guangdong Inv	6.40	6.30	6.25	6.35
Guoco Group	42.60	42.30	42.40	42.30
Hang Lung Dev	17.25	16.70	17.15	16.80
Hang Seng Bk	93.25	92	92.75	92
Henderson Inv	9.30	9	9.25	9
Henderson Ld	76	73.50	75.75	74
HKR Intl	12.30	11.90	12.10	11.85
HK China Gas	15.05	14.90	15.05	14.95
HK Electric	25.85	25.55	25.85	25.40
HK Shang Htls	14.65	14.45	14.60	14.50
HK Telecomm	12.75	12.55	12.65	12.80
Hopewell Hdgs	5	4.95	4.95	4.90
HSBC Hdgs	162.50	159.50	162	160.50
Hutchison Wh	62	60.25	61.75	60.25
Hysan Dev	29.80	28.70	29.75	28.85
Johnson El Hdg	21.55	21.40	21.40	21.45
Kerry Props	21.30	21.30	21.30	21.50
Natl Mutual	7.40	7.35	7.40	7.45
New World Dev	52	48.80	51.75	48.70
N World Infrastr	21.90	21.75	21.75	21.80
Oriental Press	3.90	3.80	3.85	3.80
Pearl Oriental	4.65	4.55	4.55	4.55
Shanghai Indus	25.25	24.25	25.25	24.25
Shangri-La Asia	11.60	11.55	11.60	11.60
SHK Props	95.50	93.50	95	93.75
Shun Tak Hdgs	5.30	5.30	5.25	5.20
Sino Land Co.	9.35	9.15	9.35	9.55
Sth China Post	4.65	4.45	4.55	4.60
Swire Pac A	74.50	72.75	74.50	73.25
Tsim Sha Tsui	15.30	14.90	15.20	14.90
TV Broadcasts	30.60	29.30	30.60	29.20
Wharf Hdgs	39.50	38.20	39.50	38.50
Wheelock	22	21.50	21.35	21.45

Jakarta Composite index: 633.87 Previous: 632.52

	High	Low	Close	Prev.
Astra Intl	5350	5300	5325	5325
Bk Intl Indon	2250	2225	2250	2225
Bk Negara	1300	1250	1275	1300
Gudang Garm	10475	10200	10200	10200
Indocement	3600	3550	3550	3600
Indofood	4600	4550	4550	4575
Indosat	6550	6425	6475	6500
Sampoerna HM	12325	12275	12275	12300
Semen Gresik	7825	7700	7700	7775
Telekomunikasi	4225	4175	4225	4175

Johannesburg All Market: 6552.55 Previous: 6523.54

	High	Low	Close	Prev.
Amalgamtd Bks	24	23.80	23.90	23.80
AngloAm Coal	336	334	336	336
AngloAm Corp	247.50	244	247.50	244
AngloAm Gold	355	351	351	357
AngloAm Ind	173	171	171	173
Barlow	41.50	41	41.50	41
C.G. Smith	22.40	22.10	22.10	22.20
De Beers	134	130	133.50	130
Driefontein	48.75	48.30	48.75	48.40
Fst Natl Bk	23.10	22.80	22.90	23.10
Gencor	17.05	16.90	17	17
GFSA	126	125.50	125.50	126.50
Iscor	3.32	3.30	3.32	3.32
Liberty Hdgs	312	312	312	310
Liberty Life	117	116	116.50	117
Minorco	95.50	94	95.50	94
Nampak	18.10	17.75	18.10	18
Nedcor	65.50	64	65	65.50
Rembrandt Gp	41.75	41.25	41.30	42
Richemont	65.75	65.25	65.75	65.75
Rust Platinum	66	65	65	66.50
SA Breweries	116.25	114.50	116	115
Samancor	54.75	54.25	54.50	54.50
Sasol	55.50	54	55	55.75
SBIC	177	175	176	176
Tiger Oats	64.25	63.75	64.25	64.25

Kuala Lumpur Composite: 1197.78 Previous: 1203.86

	High	Low	Close	Prev.
Genting	17.30	17	17	17.40
Mal Banking	26.75	26.25	26.50	26.50
Mal Intl Ship F	7.50	7.30	7.30	7.60
Petronas Gas	10	9.95	9.95	10
Proton	4.40	4.30	4.30	4.40
Resorts World	11.80	11.60	11.70	11.70
Sime Darby	10	9.75	9.90	9.75
Telekom Mal	22.50	22.20	22.20	22.60
Tenaga	11.40	11.10	11.30	11.40
Utd Engineers	21.90	21.70	21.80	21.90

London FT-SE 100: 4087.20 Previous: 4077.60

	High	Low	Close	Prev.
Abbey Natl	7.59	7.46	7.58	7.49
Allied Domecq	4.41	4.23	4.38	4.27
Anglian Water	6.05	5.60	5.68	5.66
Argos	7.88	7.72	7.75	7.78
Asda Group	1.26	1.23	1.24	1.27
Assoc Br Foods	4.82	4.78	4.80	4.81
BAA	4.92	4.81	4.89	4.80
Barclays	10.04	9.92	10.02	9.95
Bass	8.19	8.13	8.17	8.15
BAT Ind	4.79	4.70	4.78	4.80
Bank Scotland	3.11	3.07	3.10	3.12
Blue Circle	3.63	3.57	3.58	3.62
BOC Group	8.77	8.68	8.73	8.74
Boots	6.06	5.95	5.98	5.97
BPB Ind	3.85	3.76	3.85	3.77
Brit Aerosp	12.28	11.21	12.24	12.08
Brit Airways	6.06	6.01	6.05	6.07
Brit Gas	2.28	2.20	2.26	2.22
Brit Land	5.12	5.06	5.08	5.08
Brit Petlm	6.93	6.87	6.92	6.94
BSkyB	5.31	5.23	5.31	5.26
Brit Steel	1.64	1.62	1.62	1.63
Brit Telecom	4.02	3.95	3.97	3.99
BTR	2.75	2.68	2.72	2.72
Burmah Castrol	10.93	10.85	10.91	10.90
Burton Gp	1.53	1.50	1.52	1.49
Cable Wireless	4.90	4.74	4.84	4.77
Cadbury Schw	4.91	4.86	4.88	4.87
Carlton Comm	5.04	4.99	5.02	5.03
Coml Union	6.92	6.85	6.90	6.87
Compass Gp	6.22	6.13	6.17	6.20
Courtaulds	3.95	3.84	3.91	3.85
Dixons	5.29	5.23	5.24	5.28
Electrocomponents	4.63	4.58	4.63	4.58
EMI Group	13.50	13.32	13.47	13.44
Enterprise Oil	6.36	6.30	6.33	6.37
Fam Colonial	1.50	1.49	1.50	1.50
Genl Accident	7.72	7.57	7.68	7.61
GEC	3.82	3.78	3.79	3.80
GKN	9.94	9.83	9.88	9.93
Glaxo Wellcome	9.44	9.35	9.38	9.44
Granada Gp	8.70	8.58	8.62	8.66
Grand Met	5	4.53	4.55	4.56
GRE	2.77	2.74	2.76	2.75
Greenalls Gp	5.87	5.82	5.85	5.85
Guinness	4.56	4.50	4.55	4.53
GUS	6.25	6.15	6.15	6.27
Hanson	0.80	0.80	0.81	0.81
Hays	5.57	5.49	5.54	5.57
HSBC Hldgs	12.58	12.51	12.58	12.49
ICI	7.78	7.70	7.77	7.71
Impl Tobacco	3.97	3.77	3.90	3.94
Kingfisher	6.28	6.05	6.18	6.13
Ladbroke	2.33	2.28	2.30	2.31
Land Sec	7.50	7.43	7.45	7.48
Lasmo	2.40	2.34	2.37	2.34
Legal Genl Grp	3.69	3.63	3.67	3.65
Lloyds Abbey	N.T.	N.T.	N.T.	4.60
Lloyds TSB Gp	4.37	4.31	4.34	4.33
LucasVarity	2.36	2.26	2.26	2.33
Marks Spencer	4.85	4.71	4.80	4.73
MEPC	4.35	4.29	4.30	4.31
Mercury Asset	12.50	12.30	12.39	12.50
National Grid	1.89	1.87	1.88	1.89
Natl Power	4.85	4.77	4.82	4.78
NatWest	6.85	6.68	6.81	6.78
Next	5.52	5.42	5.49	5.45
Orange	1.86	1.82	1.86	1.84
P&O	5.95	5.86	5.92	5.99
Pearson	7.18	7.10	7.16	7.17
Pilkington	1.56	1.50	1.50	1.53
PowerGen	5.85	5.77	5.81	5.80
Premier Farnell	7.37	7.13	7.35	7.10
Prudential	4.92	4.87	4.89	4.89
Railtrack PP	3.92	3.82	3.87	3.99
Rank Group	4.20	4.08	4.20	4.14
Reckitt Colm	N.T.	N.T.	N.T.	7.09
Redland	3.61	3.53	3.54	3.59
Reed Intl	10.89	10.75	10.83	10.80
Rentokil Initial	4.39	4.35	4.37	4.37
Reuters Hdgs	7.40	7.34	7.38	7.36
Rexam	3.47	3.40	3.45	3.45
RMC Group	9.72	9.63	9.71	9.68
Rolls Royce	2.59	2.53	2.57	2.54
Royal Bk Scot	5.55	5.38	5.45	5.41
RTZ reg	9.46	9.36	9.38	9.45
Royal & Sun All	4.49	4.45	4.45	4.48
Safeway	4.06	4.03	4.06	4.05
Sainsbury	4.20	3.81	3.84	3.85
Schroders	15.24	15.11	15.18	15.20
Scot Newcastle	6.89	6.81	6.86	6.82
Scot Power	3.48	3.45	3.46	3.46
Securicor	2.86	2.80	2.80	2.84
Severn Trent	6.94	6.85	6.88	6.90
Shell Transp R	9.94	9.88	9.93	9.94
Siebe	10.50	10.30	10.46	10.30
Smith Nephew	1.82	1.80	1.81	1.81
SmithKline	8.08	8.01	8.05	8.07
Smiths Ind	7.81	7.69	7.75	7.68
Sthern Elec	7.82	7.75	7.77	7.80
Stagecoach	7.02	6.93	6.95	7
Stand Charter	7.21	7.08	7.19	7.12
Tate & Lyle	4.78	4.72	4.74	4.79
Tesco	3.57	3.46	3.54	3.55
Thames Water	6.11	6.05	6.06	6.08
3i Group	4.86	4.81	4.85	4.81
TI Group	5.72	5.63	5.65	5.59
Tomkins	2.69	2.54	2.66	2.54
Unilever	14.15	13.92	14.12	13.95
Utd Assurance	4.75	4.68	4.71	4.70
Utd News	6.92	6.87	6.91	6.91
Utd Utilities	6.09	6.02	6.04	6.08
Vendome Lx uts	5.35	5.30	5.35	5.38
Vodafone	2.52	2.47	2.50	2.48
Whitbread	7.83	7.73	7.80	7.71
Williams Hdgs	3.49	3.43	3.49	3.48
Wolseley	4.60	4.55	4.57	4.59
WPP Group	2.44	2.38	2.41	2.40
Zeneca	16.50	16.17	16.50	16.26

Madrid Bolsa index: 431.01 Previous: 428.57

	High	Low	Close	Prev.
Acerinox	18000	17500	17860	17900
ACESA	1750	1720	1745	1725
Aguas Barcelon	5150	5090	5140	5090
Argentaria	5710	5640	5710	5700
BBV	7800	6770	6790	6760
Banesto	980	952	953	967
Bankinter	20350	19690	19690	19650
Bco Centro Hisp	3215	3165	3215	3210
Bco Exterior	2775	2740	2775	2740
Bco Popular	25200	25020	25100	25020
Bco Santander	8100	7640	8000	7710
CEPSA	3925	3850	3895	3920
Continente	2595	2540	2590	2535
Corp Mapfre	7300	7010	7250	7070
Endesa	8980	8850	8930	8920
FECSA	1215	1145	1205	1180
Gas Natural	30290	29150	29600	29830
Iberdrola	1785	1740	1780	1750
Pryca	2795	2690	2710	2725
Repsol	4985	4870	4935	4950
Sevillana Elec	1320	1280	1310	1295
Tabacalera	5450	5350	5440	5450
Telefonica	3000	2965	2990	2995
Union Fenosa	1160	1130	1155	1145
Valenc Cement	1400	1395	1410	1400

Manila PSE index: 3139.92 Previous: 3180.20

	High	Low	Close	Prev.
Ayala B	29	28.50	29	29
Ayala Land	29.50	29	29	29.50
Bk Philip Isl	160	158	159	160
C&P Homes	14	13.50	13.75	13.75
Manila Elec A	121	114	120	122
Metro Bank	615	610	615	620
Petron	8.90	8.60	8.80	8.90
PCIBank	352.50	352.50	352.50	352.50
Phil Long Dist	1420	1398	1405	1490
San Miguel B	117	112	117	116
SM Prime Hdg	6.80	6.60	6.70	6.80

Milan MIB Telematico: 10487.00 Previous: 10461.00

	High	Low	Close	Prev.
Alleanza Assic	10720	10410	10420	10615
Bca Comm Ital	2780	2725	2745	2720
Bca Fideuram	3250	3305	3330	3335
Bca di Roma	1260	1242	1245	1256
Benetton	18680	18350	18600	18260
Credito Italiano	1695	1670	1680	1685
Edison	9510	9390	9455	9495
ENI	8050	7970	7990	8055
Fiat	4220	4155	4210	4120
Generali Assic	29200	28800	29000	29050
IMI	13000	12760	12985	12645
INA	1980	1918	1936	1955
Italgas	6350	6250	6295	6245
Mediaset	7110	6990	6995	7020
Mediobanca	8295	8160	8175	8155
Montedison	1055	1040	1040	1036
Parmalat	2395	2365	2390	2390
Pirelli	2840	2780	2820	2805
RAS	14300	14070	14070	14245
Rolo Banca	14900	14655	14895	14785
S Paolo Torino	9550	9418	9530	9480
Stet	6815	6760	6760	6710
Telecom Italia	3930	3820	3885	3850
TIM	3865	3770	3790	3770

Mexico Bolsa index: 3299.17 Previous: 3311.36

	High	Low	Close	Prev.
Alfa A	36.05	35.80	35.80	35.90
Banacci B	16.04	16.00	16.02	16.00
Cemex CPO	28.40	28.00	28.25	28.35
Cifra C	10.00	9.70	9.70	10.00
Emp Moderna	37.95	37.80	37.95	37.85
Gpo Carso A1	41.00	40.70	40.70	40.70
GpoFin Inburso	27.05	26.95	26.95	27.05
Kimb Clark Mex	152.30	152.00	152.30	152.00
Televisa CPO	102.00	101.00	101.50	101.00
TelMex L	12.56	12.42	12.52	12.48

Montreal Industrials index: 2724.60 Previous: 2725.82

	High	Low	Close	Prev.
Alco I	23¾	23¼	23¾	23½
Bank Montreal	42.90	42.35	42½	42.55
Bce Mob Com	40.10	39½	40	39.90
Cdn Tire A	22.45	22¼	22.40	22½
Cdn Util A	30.35	30	30	30.10
Cascades	8	7.85	7.90	7.95
CT Finl Svc	32.10	32.10	32.10	32.60
Extendicare	16.30	16.30	16.30	16.15
Gaz Metro	17.15	17	17.15	17.15
Gt-West Lifeco	21.15	21	21	42.30
Hees Intl Bcp	20.30	20.05	20.05	20¼
Hudson's Bay	22.85	22.70	22.85	22¾
Imasco	32.10	31.70	31.80	31.70
Investors Grp	26¼	26	26¼	25.90
Loblaw Cos	14¼	14¼	14¼	14.30
Molson A	21.15	20.85	20.85	21.20
Natl Bk Canada	13.60	13½	13.60	13.60
Oshawa A	19.85	19¾	19¾	19.80
Pancdn Petlm	53.30	52.60	52.60	53
Power Corp	27.40	26½	26½	27.30
Power Finl	48.30	48	48	48
Quebecor B	23.15	23	23	23.05
Rogers Comm B	9.90	9.55	9.60	10
Royal Bk Cda	47.40	46.15	46.35	46.70
Sears Canada	10.10	9.90	10	10.05
Shell Cda A	N.T.	N.T.	N.T.	52
Southam	19.05	19.05	19.05	19¼
Stelco A	8.30	8.15	8.15	8.35
Trilon Finl A	6.70	6.60	6.65	6½

Oslo OBX index: 518.69 Previous: 517.83

	High	Low	Close	Prev.
Aker A	135	134	135	136
Bergesen Dy B	150	148	150	150
Christiania Bk	20	19.70	19.70	20.30
Den norske Bk	24.50	24	24.50	24.50
SAS Norge ASA	67	65	65	67
Dyno Indust	159	158	159	160
Elkem	104	103	103.50	103
Hafslund A	47	46.40	46.40	46.80
Kvaerner	298	288.50	298	289
Leif Hoegh	125	124	124	125
Norsk Hydro	331.50	327.50	331	330
Norske Skog A	213	209	213	209
Orkla	427.50	424	426	425
Rieber B	181	177	177	181
Saga Petlm B	96	95.50	96	96.50
Schibsted	116.50	115	116.50	115.50
Storebrand	36.40	36.20	36.30	36.40

Paris CAC-40: 2287.44 Previous: 2278.53

	High	Low	Close	Prev.
Accor	628	622	623	619
AGF	166.40	159.30	161.90	166.80
Air Liquide	802	790	802	798
Alcatel Alsth	418	412.50	418	416.70
Axa	332.30	326.60	331.90	328
Bancaire	606	591	606	606
BNP	199.90	198.30	198.30	199.60
Bouygues	540	519	525	533
Canal Plus	1143	1120	1142	1120
Carrefour	3333	3295	3330	3332
CCF	243.90	236.50	243.30	239.50
Credit Local cl	442.50	437.30	442.50	442.50
Credit Lyon PC	124	119.30	122	122
Crown Cork Seal	268.40	268	268.40	268.20
Danone	727	716	724	719
Elf-Aquitaine	478	470	477	474
Eridania BS	813	798	805	802
Euro Disney	9.70	9.50	9.50	9.55
Eurotunnel uts	6.95	6.75	6.80	6.90
Gen. Eaux	638	625	635	633
Havas	364	353.10	361.20	360
Lafarge Cop	321.70	309	315	311
Legrand	895	875	875	881
L'Oreal	1948	1910	1918	1925
LVMH	1397	1366	1370	1375
Lyon. Eaux	467.90	460.80	463	470.20
Michelin B	275	268	275	273.10
Moulinex	770	760	770	754
Paribas A	343	339.10	342.90	342.50
Pechiney SA	206.50	201.10	205.80	204.50
Pernod Ricard	283	270.30	283	272.50
Peugeot Cit	584	566	575	574
Pinault-Print	2049	2000	2045	2032
Promodes	1444	1413	1442	1427
Renault	111.50	103	111	104.10
Rh-Poulenc A	181.90	174.50	181.90	177.50
Roussel-Uclaf	1522	1521	1521	1521
Sanofi	525	505	510	525
Schneider	236.10	231.60	233.50	233
Ste Generale	555	540	550	542
St Gobain	732	725	730	730
St Louis	1229	1195	1219	1198
Suez	215.80	212.20	214.70	213
Thomson CSF	168.90	167	168.50	164.50
Total B	420	410.40	418.80	418
UAP	130.90	128	130.90	130
Valeo	332.70	326.50	327	329.90

São Paulo Bovespa index: 69125.80 Previous: 69422.40

	High	Low	Close	Prev.
Bco Brasil Pfd	9.00	8.75	8.80	8.75
Banespa Pfd	5.10	4.95	5.00	4.85
Bradesco Pfd	7.55	7.41	7.55	7.50
Brahma Pfd	570.00	560.00	565.50	566.00
Cemig Pfd	35.00	34.50	34.70	34.90
CESP Pfd	38.40	38.30	38.30	38.20
Eletrobras B	371.00	368.90	371.00	369.50
Itaubanco Pfd	428.00	410.00	428.00	430.00
Light	355.00	349.00	351.00	355.00
Paranapan Pfd	10.70	10.20	10.70	11.00
Petrobras Pfd	159.00	157.00	159.00	158.49
Sid Nacional	28.75	28.70	28.75	28.70
Souza Cruz	6.70	6.61	6.70	6.62
Telebras Pfd	79.55	78.70	78.90	79.80
Telesp Pfd	230.00	222.00	223.50	228.00
Usiminas Pfd	1.07	1.05	1.06	1.07
CVRD Pfd	20.35	20.10	20.35	20.10

Seoul Composite index: 684.81 Previous: 693.14

	High	Low	Close	Prev.
Daewoo Heavy	5580	5330	5330	5600
Hyundai Eng	21600	20000	20800	20400
Hyundai Motor	22400	21500	21500	22000
Korea El Pwr	26000	24800	24800	26200
Korea Mob Tel	465000	445000	465000	455000
LG Electronics	12000	11300	11400	12000
Pohang Iron St	40500	39600	39600	40800
Samsung Elec	49000	46000	46000	49500
Samsung Hvy	9500	8900	9000	9550
Yukong	17400	15700	17000	17700

Singapore Straits Times: 2195.86 Previous: 2196.81

	High	Low	Close	Prev.
Cerebos Pac	10.70	10.60	10.70	10.70
City Devts	12.10	11.60	12	12
Cycle Carriage	16.90	16.30	16.80	16.50
Dairy Farm Int *	0.83	0.81	0.81	0.83
DBS	8.90	8.85	8.90	8.85
DBS Land	5.15	5.05	5.10	5.20
Fraser & Neave	14.10	14	14	14
HK Land *	2.86	2.82	2.82	2.84
Hong Leong Fin	3.28	3.28	3.28	3.28
Jard Matheson *	6.60	6.40	6.50	6.35
Jard Strategic *	3.74	3.68	3.68	3.68
Keppel	11.10	10.90	10.90	11.10
Natsteel	3.14	3.10	3.10	3.18
Neptune Orient	1.20	1.18	1.19	1.20
OCBC foreign	17.20	17	17	17.20
O'Sea Union Bk	N.T.	N.T.	N.T.	6.30
Sembawang	7.45	7.25	7.25	7.45
Sing Airlines F	12.80	12.70	12.80	12.70
Sing Petm	N.T.	N.T.	N.T.	1.73
Sing Press F	27	26.70	26.90	27.10
ST Auto F	3.10	3.10	3.10	3.12
ST Ship	N.T.	N.T.	N.T.	1.87
Sing Telecomm	3.22	3.16	3.20	3.18
Straits Steam	4.50	4.50	4.50	4.50
Utd Industrial	1.19	1.16	1.17	1.20
Utd O'Sea Bk F	15.50	15.40	15.40	15.50
Wing Tai Hdgs	4	3.96	4	4

*: in U.S. dollars.

Stockholm SX 16 index: 2466.52 Previous: 2471.05

	High	Low	Close	Prev.
AGA BF	100.50	98.50	100	99
ABB AF	782	769	769	779
AssiDoman F	190	186.50	190	187
Astra AF	328	322	322.50	328
Atlas Copco AF	167	165	166.50	167
Avesta F	74	73	74	73.50
Electrolux BF	400	390	391	398
Ericsson BF	207.50	204.50	207	205.50
Hennes BF	930	925	925	928
Incentive AF	485	474	484	487
Investor BF	298	293	296	292
Kinnevik BF	187	185	186	185.50
MoDo BF	189	187	187.50	189
Pharm/Upjohn	268.50	260	268	264.50
Sandvik BF	181.50	176	181.50	178
SCA BF	139.50	137.50	139	139
S-E Banken AF	68.50	66	67	67
Skandia Fors F	188.50	187	188	186.50
Skanska BF	296	293.50	295.50	296.50
SKF BF	157.50	154.50	157.50	154.50
SSAB BF	114	110	113.50	111.50
Stora AF	93.50	92.50	93	92.50
Sv Handles AF	199	190	197	198
Sydkraft AF	146	146	146	150
Trelleborg BF	90	89	89.50	89.50
Volvo BF	148	146.50	146.50	147

Sydney All Ordinaries: 2380.50 Previous: 2373.80

	High	Low	Close	Prev.
Amcor	8.07	7.89	8.04	7.90
ANZ Bking	7.76	7.74	7.79	7.74
BHP	17.62	17.33	17.47	17.48
Boral	3.51	3.46	3.47	3.46
Brambles Ind.	23.81	23.44	23.80	23.50
Burns Philp	2.19	2.15	2.17	2.20
CBA	12.07	12.01	12.04	12.04
CC Amatil	13.08	12.85	13.06	12.80
Coles Myer	5.16	5	5.13	5.05
Comalco	6.22	6.15	6.20	6.15
CRA Ltd	19.70	19.45	19.49	19.60
CSR	4.24	4.18	4.22	4.20
Fosters Brew	2.52	2.45	2.52	2.47
GIO Australia	3.25	3.18	3.21	3.23
Goodman Fld	1.54	1.53	1.53	1.55
ICI Australia	13.15	13	13.15	13.05
John Fairfax	2.81	2.79	2.81	2.80
Lend Lease	24	23.60	23.60	24
Mayne Nickless	8.55	8.48	8.50	8.59
MIM Hdgs	1.78	1.75	1.77	1.75
Nat Aust Bank	14.66	14.47	14.63	14.49
News Corp	6.65	6.54	6.55	6.65
North Ltd	3.60	3.58	3.59	3.62
Pacific Dunlop	3.10	3.06	3.10	3.09
Pioneer Intl	3.78	3.70	3.70	3.78
Placer Pacific	1.88	1.87	1.87	1.88
Santos	4.98	4.80	4.95	4.80
Southcorp	3.90	3.85	3.85	3.92
Wesfarmers	8.60	8.50	8.50	8.60
Wstrn Mining	7.85	7.78	7.81	7.82
Westfield Trt	2.38	2.36	2.37	2.37
Westpac Bking	7.18	7.18	7.25	7.16
Woodside Pet	9	8.87	8.98	8.88
Woolworths	3.02	2.98	2.98	3

The Trib Index

Closing prices.

Jan 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	148.24	+0.20	+0.14	+12.41
Regional Indexes				
Asia/Pacific	124.92	+0.38	+0.31	-6.96
Europe	157.25	+0.05	+0.03	+12.98
N. America	163.10	+0.04	+0.02	+27.14
S. America	112.56	-0.20	-0.18	+26.42
Industrial Indexes				
Capital goods	171.18	-0.14	-0.08	+28.82
Consumer goods	160.02	+0.39	+0.24	+15.90
Energy	168.97	+0.85	+0.51	+24.59
Finance	117.13	+0.32	+0.27	-7.94
Miscellaneous	160.52	+1.19	+0.75	+18.19
Raw Materials	173.56	-0.86	-0.49	+22.40
Service	134.95	+0.47	+0.35	+12.46
Utilities	140.98	+0.46	+0.33	+10.89

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg Business News.

Market Closed

The Tokyo Stock market was closed Monday for a holiday.

Taipei Stock Market index: 6932.08 Previous: 6908.49

	High	Low	Close	Prev.
Asia Cement	50.50	50	50	50
Cathay Life Ins	177	174	174	175
Chang Hwa Bk	160	155	158	157
China Steel	25.90	25.70	25.70	25.70
China Trust	53.50	52.50	52.50	53
Evergreen	54.50	53.50	54	54
Far East Text	28.60	28.20	28.20	28.40
First Bank	170	165	168	167
Formosa CF	42.60	42.10	42.30	42.20
Huan Nan Bk	132	127	131.50	128
Hualon Teijran	26.50	25.80	25.80	26.20
ICBC	85.50	84.50	85	84.50
President Ent	43.20	42.70	42.80	42.70
Taiwan Cemt	61	60	60	60.50
Tatung	54.50	54	54	54.50

Toronto TSE Industrials: 5862.90 Previous: 5869.66

	High	Low	Close	Prev.
Abitibi Price	22	21.60	21.80	21.90
Air Canada	6.05	5.95	5.95	6
Alberta Energy	32.10	31.90	32.05	31.90
Alcan Alum	46.95	46.35	46½	46.80
Avenor A	19.95	19.55	19.55	19¾
Bk Nova Scotia	45¼	44.60	44.70	44.55
Barrick Gold	39.90	39½	39.90	39¾
BCE	66¼	65.55	65.80	65.85
BC Telecomm	29.40	29	29.30	29
Bombardier B	23.70	23.40	23.70	23.40
Brascan A	30.05	29¾	30	30.10
Cameco	55	54.60	54.80	54¾
CIBC	59	58.45	58.70	58.45
Cdn Airlines	2	1.90	1.91	2
Cdn Nat Res	37½	37.10	37.10	37.85
Cdn Occidl Pet	22.65	22¼	22.30	22.65
Cdn Pacific	36.35	35.55	36.35	36.30
Cominco	33½	32.65	33	32¼
Dofasco	25.40	25.20	25¼	25.30
Domtar Ind B	9¼	8.80	9¼	8.90
Du Pont Cda A	32½	32¼	32¼	33.20
Echo Bay Min	9.30	9	9¼	9
Empire Co. A	13.35	13¼	13¼	13¼
Falconbridge	29.35	28.85	29.05	29.15
Fletcher Chall A	21¾	21¼	21¼	21.80
Franco Nevada	59.15	57¾	58¼	58¾
Guardian Cap A	11¼	11¼	11¼	12.10
Imperial Oil	61	60¼	61	60.10
Inco	44½	43.35	43.65	44.90
IPL Energy	38.85	38.55	38.60	38.60
Laidlaw A	16.15	15.90	15.90	16.20
Laidlaw B	15.90	15.65	15.70	15.85
Loewen Group	52.45	51¾	52.05	51¾
Ldn Insur Gp	18¼	18	18.20	18.05
Macmill Bld	17.60	17¼	17¼	17½
Magna Intl A	75½	74.55	75	74.60
Maple Leaf Fds	9.30	9.20	9.20	9.20
Moore	27.70	27.15	27.30	27.30
Newbridge Net	40¼	38.80	39.05	39¼
Noranda Inc	30	29¼	29.85	29.95
Noranda Forest	9.20	9.05	9.15	9.15
Norcen Energy	30¼	29.70	29.70	30
Nthern Telecom	86½	85.20	85.55	85.30
Nova	12.35	12.10	12.10	12.35
Onex	19½	19.45	19.45	19.45
Placer Dome	31.40	31.10	31¼	31
Potash Sask	112.95	112	112.95	112.60
Provigo	5.55	5.40	5½	5.45
Quebecor Print	24½	24	24½	24
Renaissance	47¼	46½	46½	46.80
Rio Algom	30½	30	30.20	30.30
Seagram Co	56	55	55.70	56.05
Stone Consold	19.40	19.30	19.30	19.40
Talisman Eny	45.05	44¾	45.05	45
Teleglobe	41	40.05	41	40¾
Telus	20	19.80	19.80	20
Thomson	27¾	27.05	27.30	27
TorDom Bank	34.90	34.30	34.40	34½
Transalta	16.95	16.60	16.80	16.70
TransCda Pipe	23.90	23.70	23¾	23¾
Trizec Hahn	29	28¾	29	29
Utd Dominion	32¼	32.10	32.15	32¼
Westburn	12.40	12.30	12.30	12.40
Westcoast Eny	23¼	23.10	23.10	23.15
Weston	65.95	65.15	65.95	65.95

Vienna ATX index: 1123.74 Previous: 1127.45

	High	Low	Close	Prev.
Aust Airlines	1680	1680	1680	1649
Brau-Un Goess	658	647	658	659
Bund Vers Pfd	396	396	396	395
Creditanst Pfd	489.65	460.10	464.50	485.40
EA-Generali	3238	3160	3211	3182.50
EVN	1572	1550	1572	1550
Interunfall	1495	1495	1495	1481
Lenzing	687	680	687	687
Leykam	285	277	283.50	283.50
Mayr-Melnhof	537	530	537	535
OMV	1214	1200	1203.15	1208.20
Oest Brau	734	724	726	734
Oest Elektriz	817.50	809	812	817
VA Tech	1708	1700	1706	1708.50
Wienerberger	2083	2068	2068	2080

Wellington NZSE-40 index: 2343.81 Previous: 2349.98

	High	Low	Close	Prev.
Air N Zeald B	2.74	2.72	2.74	2.72
Brierly Invt	1.30	1.29	1.29	1.30
Carter Holt ord	3.28	3.26	3.28	3.30
Fernz	4.95	4.90	4.94	4.90
Fisher Paykel	5.50	5.50	5.50	5.50
FC Forest	2.45	2.40	2.41	2.42
Goodman Fder	1.75	1.72	1.75	1.72
Indep News	6.95	6.95	6.95	6.95
Lion Nathan	3.45	3.40	3.42	3.41
Nat Gas note	2.17	2.16	2.17	2.17
NZ Refining	28.50	28.50	28.50	28.50
Telecom NZ	7.18	7.11	7.12	7.20
Wilson Horton	11.55	11.45	11.55	11.40

Zurich SPI index: 2475.19 Previous: 2481.68

	High	Low	Close	Prev.
Adecco B	337	330	336	337
Alusuisse R	1064	1050	1058	1062
Ares-Serono B	1252	1245	1250	1225
Baloise Hdg R	2710	2670	2690	2730
ABB B	1659	1645	1652	1646
BK Vision	741	737	740	741
Bobst B	1750	1735	1750	1760
Ciba Geigy R	N.T.	N.T.	N.T.	1595
CS Holdings R	137.50	136.50	137.50	137
Elektrowatt B	520	508	511	525
Fischer B	1395	1375	1382	1391
Hilti PC	857	842	842	850
Holderbank B	946	930	944	930
Jul. Baer Hdg B	1390	1384	1389	1388
Nestle R	1432	1421	1427	1428
Oerlikon R	129.50	126.75	126.75	129.25
Pargesa Hld B	N.T.	N.T.	N.T.	1435
PharmVisn B	595	588	594	593
Pirelli B	180	178	180	180
Roche Hdg PC	10250	10180	10190	10240
Sandoz R	N.T.	N.T.	N.T.	1494
SBC R	251	250	250.50	250.50
Schindler B	1430	1412	1422	1420
SGS B	3275	3225	3255	3215
SMH B	815	810	815	815
Sulzer R	760	745	745	760
Swiss Reins R	1400	1389	1389	1398
Swissair R	1070	1048	1070	1052
UBS B	1193	1170	1174	1196
Valora Hdg R	262	253	261	260
Winterthur R	769	763	766	769
Zurich Assur R	369	363	366	364

NYSE

Monday's 4 p.m. Close

Nationwide prices, not reflecting late trades elsewhere.
The Associated Press.

Continued on Page 17

Hong Kong Examines Price Jump

Boom in Housing Makes Officials Wary

Bloomberg Business News

HONG KONG — Hong Kong's largest business organization called on the government Monday to approve more apartment sales as fresh signs emerged that speculation was driving prices to unrealistic levels.

James Tien, chairman of the 4,400-member Hong Kong General Chamber of Commerce, said in a letter to the government's chief secretary, Anson Chan, that an additional project similar in scale to the Park View luxury complex, which has 1,000 apartments, was needed to "calm" the high end of the market.

The proposal came as a government panel tried to determine what forces had driven prices of luxury properties up 60 percent this year. The Hong Kong Monetary Authority, which functions as a central bank for Hong Kong, warned banks to exercise extra care in granting loans after new mortgages reached a four-year high in November.

"The chamber's primary concern is the bandwagon effect which rapid price movement in this category may have on the rest of the residential market," Mr. Tien said.

Government intervention in response to broader overheating is the last thing that companies want. The last time that the government moved to check speculation — in 1994 — it triggered a 30 percent plunge in home prices and the worst year for corporate profits in half a decade.

In a sign that the speculative fever was spreading to the mass market, new home-mortgage lending in Hong Kong reached its highest level last month since late 1992.

Loans to buy homes rose 1.8 percent, to 319.9 billion Hong Kong dollars ($41.35 billion), exceeding the average monthly rise of 1.5 percent over the past 12 months, according to a Hong Kong Monetary Authority survey.

"There are signs of renewed speculative activity," said Raymond Li, the authority's acting deputy chief executive. "In this environment, institutions need to exercise additional care in relation to their property exposure."

Singapore Port Holds Its Edge

Neighbors Struggle to Become Competitors

By Michael Richardson
International Herald Tribune

SINGAPORE — As maritime trade becomes an increasingly important part of Southeast Asia's economic development, countries in the region are moving to improve their port services and challenge Singapore's position as the dominant shipping hub.

Singapore's port — the world's busiest in terms of shipping tonnage — handled just over 305 million metric tons of cargo in 1995, up 5.3 percent from 1994.

Its giant cranes and specialized terminals moved 11.8 million 20-foot equivalent units, or TEUs, of containers, not far behind the 12.5 million TEUs handled by Hong Kong, the world's most active container port.

Around 70 percent of the island state's port cargo traffic does not originate or terminate in Singapore, which has built its prosperity largely on being able to offer more cost-efficient services than its neighbors. Malaysia is one of Singapore's largest customers, with 22 percent of its imports and 26 percent of its exports passing through there instead of its own ports.

Other nearby nations — including Indonesia, Thailand and India — also depend to a significant degree on transshipment of their seaborne trade through Singapore.

As a result, economists estimate that port-related activities generate about 5 percent of Singapore's gross domestic product.

But Singapore's hold on the region's shipping trade is being challenged, especially by Malaysia, where Prime Minister Mahathir bin Mohamad has given port development a high priority.

Indonesia, Thailand, the Philippines and India also are building or upgrading ports to try to attract more direct-haul shipping, while in Sri Lanka the capital, Colombo, is vying with Singapore to handle a larger proportion of India's transshipment business.

Mr. Mahathir personally officiated at the opening in September of a third container terminal at Port Klang, the privatized port on the Straits of Malacca near Kuala Lumpur that serves as Malaysia's main port.

"The government has decided to develop Port Klang as a primary hub for Malaysian cargo and will make efforts to redirect the flow of cargo through Port Klang to create volume and attract direct ship calls," said M. Rajasingham, the port's chief executive and general manager.

Ling Liong Sik, Malaysia's transport minister, said the country had lost as much as 500 million ringgit ($198 million) in revenue each year because local shippers preferred to use Singapore.

"If we can bring back all Malaysian cargo to our port, the country will save a lot of foreign exchange and at the same time increase other port-related activities like banking, bunkering and insurance," he said.

But Port Klang has a long way to go to catch Singapore, which is building a 26-berth container terminal at Pasir Panjang on the southwest coast of the main island at an estimated cost of 1.1 billion Singapore dollars ($786.1 million).

Operations are expected to start in 1998 with five berths. When completed in the next century, the terminal will have a handling capacity of at least 18 million TEUs.

Port Klang moved only 1.1 million TEUs last year — about one-tenth of Singapore's throughput.

But while Singapore's container-shipped cargo volume has risen more than 9 percent so far this year, Port Klang's has risen roughly 50 percent. Malaysia's cargo rates, about one-third lower than Singapore's, have attracted more than 20 additional shipping lines to start direct calls.

On the other hand, Singapore's average turnaround time for a large container ship is 12 hours, substantially faster than what private terminal operators in Port Klang have been able to achieve so far; and for shippers, fast turnarounds mean cost savings.

Khoo Teng Chye, chief executive officer of the Port of Singapore Authority, a statutory authority due to be corporatized in 1997 so that it will operate like a private company, said customers and economics would decide which port gave the best value and moved goods most quickly, reliably and cost-effectively.

"As long as we are able to continuously find ways to improve our efficiency and maintain the gap, we will be able to maintain our position," he said.

Placer Offers Highlands a Swap

Reuters

SYDNEY — Placer Dome Inc. said Monday it was offering to trade its stake in Highlands Gold Ltd. for Highlands' 25 percent stake in the Porgera gold project in Papua New Guinea.

Highlands said earlier in the day that its directors had unanimously voted to reject a takeover bid by Placer Dome, citing a report showing Highlands shares to be worth about 40 percent more than the per-share offering price of 75 Australian cents (60 U.S. cents).

Placer Dome, based in Canada, owns about 33 percent of the New Guinea mining company. Both companies have 25 percent stakes in the Porgera gold mine, which produces about 1 million ounces a year.

Placer's chief executive and president, John Willson, said the latest offer was a response to the valuation in the report prepared by Barings.

"I see this as the only solution possible to deliver Highlands Gold shareholders the value that their independent expert believes is in Frieda-Nena, Ramu and the exploration assets," Mr. Willson said, referring to other Papua New Guinea mine prospects.

"Placer Dome cannot accept these valuations," he said, but it would be prepared to buy 25 percent of Porgera at the midpoint of the Barings valuation range, or 276.8 million dollars, he said. Mr. Willson described the proposal as a "win-win" solution.

Highlands Gold's shares closed at 77 cents, up 2.

China to List New Shares To Try to Curb Speculation

Bridge News

HONG KONG — China will speed up efforts to list more shares on the stock market following the recent upswing in market performance, the official news agency Xinhua reported Monday.

"This is part of the nation's effort to balance the supply and demand in the stock market and curb excess speculation," Zhang Dongsheng, a deputy director of the Finance and Banking Department of the State Planning Commission, was quoted by Xinhua as saying.

He added that large- and medium-sized state-owned enterprises supported by the State Council, China's highest governing body, will be given priority for listing.

China plans to issue a total of 10 billion yuan ($1.2 billion) worth of new shares in 1996, almost double the amount for 1995, according to Xinhua. The news agency said many Chinese investors had shown interest in opening stock-trading accounts in the past few months. However, a rapidly growing number of stock investors has caused the market to overheat and has created a shortage of stocks.

"The current market size allows some institutional investors to manipulate the stock prices and drive them up to ridiculous highs," Cao Fengqi, a financial specialist with Beijing University, was quoted as saying. Last week, China announced measures that limited daily share-price fluctuations to 10 percent.

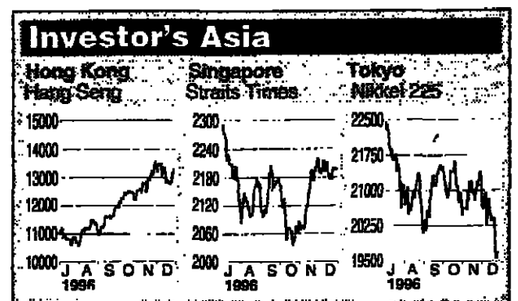
■ A-Share Trading Allowed

Overseas investors will be able to trade China's A shares, now reserved for local investors, after a new regulation on foreign investment goes into effect next year, the official China Daily Business Weekly reported in Hong Kong.

Di Weiping, deputy director of the People's Bank of China's foreign financial institutions department, said the regulation would authorize the establishment of a joint venture through which overseas firms could invest in both A shares and B shares. B shares are reserved for foreigners.

However, he said the joint fund must be used and managed inside the country.

Investor's Asia



Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	13,231.48	13,131.41	+1.52
Singapore	Straits Times	2,195.86	2,196.81	-0.04
Sydney	All Ordinaries	2,380.58	2,373.88	+0.28
Tokyo	Nikkei 225	Closed	19,690.45	-
Kuala Lumpur	Composite	1,197.78	1,203.06	-0.44
Bangkok	SET	819.79	818.79	+0.37
Seoul	Composite Index	684.81	700.87	-2.29
Taipei	Stock Market Index	6,932.09	6,900.49	+0.46
Manila	PSE	3,139.92	3,180.29	-1.27
Jakarta	Composite Index	633.07	632.52	+0.09
Wellington	NZSE-40	2,343.81	2,349.99	-0.26
Bombay	Sensitive Index	3,093.04	3,110.39	-0.56

Source: Telekurs International Herald Tribune

Very briefly:

• **Coles Myer Ltd.** sold property assets valued at 558 million Australian dollars ($444 million) to various investors. **Westfield Trust**, a property concern, said it was one of the buyers, purchasing shopping centers in Brisbane and Perth for a total of 185 million dollars.

• **News Corp.**'s BBB corporate credit rating was affirmed by Standard & Poor's Corp.; but the New York-based rating concern revised its outlook on the worldwide media and publishing company to negative from stable, citing concern about the level of **MCI Communications Corp.**'s continued interest in the ASkyB direct-broadcast satellite venture.

• **Allied Group Ltd.** and **Allied Properties (H.K.) Ltd.** sold their holdings in **Allied Industries International Ltd.** to **Wiseway Enterprises Ltd.**, a company registered in the British Virgin Islands and owned 60 percent by Suryadi and Subandi Tanuwidjaja of Indonesia, for a total 348.8 million Hong Kong dollars ($45.3 million).

• **Initial public offerings** by Samsung Engineering Co., Sindoricoh Co., Kuk Dong Corp., Kukdong City Gas Co., Sewon Chemical Co., Dong Nam Chemical Industries Co., and Muhak Alcohol Co. will begin trading Tuesday, the Korea Stock Exchange said.

• **South Korea** is expected to run a trade deficit of $18 billion in 1997, narrower than an estimated deficit of $20 billion this year, the Korea International Trade Association said.

• **South Korea's** Ministry of Finance and Economy said direct foreign investment in the country was likely to hit a record high of $2.8 billion in 1996.

• **The Halla group** of companies named its executive vice chairman, Chung Mong Won, as the South Korean conglomerate's new chairman and chief executive officer, effective Jan. 1.

• **Hong Kong's** consumer price index was up 5.8 percent in November from a year earlier. *Reuters, Bridge News*

HOTELS: *Pay-Per-View Is Growing Up*

Continued from Page 11

their public images. Instead of being seen as essentially purveyors of soft-core pornography, they want to be known as technology and information companies.

Mr. Kavner, On Command's chief executive, is an apt symbol of this shift of emphasis: He is a former AT&T Corp. executive who has spent the last few years trying to develop interactive systems for several telephone companies.

Moreover, the Internet promises a lucrative new opportunity for pay-per-view companies just when their market is reaching saturation.

While they have been growing rapidly in recent years — LodgeNet Entertainment Corp., No. 2 in the industry with 4,000 rooms wired, has seen its revenue jump by nearly 50 percent a year for the last few years — the expansion has largely come from signing up more hotels. To maintain growth, they will now have to bring in greater revenues from each hotel room.

Tim Flynn, LodgeNet's chairman, said the company had increased its revenue per room to about $21.50 a month from $16.25 three years ago by adding such services as Nintendo games, increasing advertising and offering movies on demand rather than on a fixed schedule.

He said Internet access would probably cost hotel guests about $4.50 an hour. That does not include telephone charges, which the guests would pay separately. If the Internet and other new services catch on, he said, per-room revenue could double over the next several years.

Mr. Flynn added that the additional services would cost his company less than $20 a room to install because most of the infrastructure is in place.

On Command has been working hard to update all its 900,000 rooms with its full package, which now includes Sony Playstation games, Bell Atlantic Corp.'s interactive Yellow Pages, dozens of free cable channels, video checkout services, room-service ordering and messaging for guests.

On Command, which was recently spun off by its parent, Ascent Entertainment Group., reported a 25 percent increase in revenue in the third quarter from the year earlier, to $32.7 million. Its cash flow rose 8 percent, to $11.8 million, while its net income slipped to $411,000 from $1.6 million the previous year.

LodgeNet reported revenue of $27.2 million in the third quarter, up 56 percent from the quarter a year earlier. Cash flow rose 57 percent, to $7.5 million in the quarter.

In addition to giving travelers access to the Internet, many of the companies want to offer extensive electronic shopping services and information — like listing restaurants close to the hotel and offering guided walking tours — that would permit them to sell advertising.

APPLE: *What Comes Next?*

Continued from Page 11

Next's Openstep Environment, which dramatically cuts the amount of time it takes to write a program.

But perhaps its most significant advantage is that its fundamental software component includes a feature known as memory protection. That capability, missing from Macintosh's current System 7 operating system, will make the biggest difference for Mac users. Such protection keeps one errant application from crashing the entire computer.

Indeed, the lack of true memory protection was one reason that Apple apparently backed away from its own home-grown Copland operating system software. Copland was capable of offering the feature for new software but not to existing Macintosh applications.

Veteran Next programmers confirm that working in that world truly offers speed advantages over both the Macintosh and Windows worlds, but they also acknowledge that the gap is smaller than it once was because of the widespread availability of software development tools that offer similar capabilities.

"It's not clear that Next has quite the advantage they once had," said Jason Adams, a former Next software developer who now works at Netscape Communications Inc.

Yaohan Postpones New Stores in China

Compiled by Our Staff From Dispatches

SHANGHAI — Yaohan International Holdings Ltd. will slow its China expansion, pushing back by one year its plan to have 1,000 department stores throughout the Yangtze River delta by 2005, a Yaohan executive said Monday.

Hironobu Yasunaga, director and general manager of Yaohan (Shanghai) Holdings Co., said expansion plans would be delayed because of problems in getting licenses in new cities and the need for Yaohan China to rely on internal funds for expansion rather than bank loans.

He said the company would instead focus next year on adding stores in Shanghai and nearby Wuxi. It plans to add between five and 10 new stores in the two cities on top of the existing 33 stores, using internally generated funds, he said.

Yaohan, which is controlled by a Japanese businessman, Kazuo Wada, formally shifted its corporate headquarters to Shanghai from Hong Kong in July to symbolize its commitment to the China market.

Yaohan has invested close to $100 million in its China retail ventures, all of which are conducted on a joint-venture basis with local partners.

Shares in Yaohan Japan Corp. have fallen steeply this year and its credit rating in Japan has been cut, due in part to its fast expansion into new Asian markets, including China. Mr. Yasunaga, in disclosing the one-year delay in the 1,000-stores goal announced in July, said it would be possible to make up for that lost time in the next few years.

"It's not a setback. We will be continuing to open stores in Shanghai and Wuxi by using internally generated funds," Mr. Yasunaga said. "The focus will be on strengthening our operations in Shanghai and Wuxi and introducing our own brand." *(Bloomberg, Reuters)*

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INSTRACORP acquired the world-wide rights to an internationally patented unique Needle Impulse Generator (NIG) in the form of a small module which, when installed in any electrical appliance, will save 30 to 80% on electrical consumption without effecting the unit's output or performance. Already several major industrial groups are negotiating the integration of the NIG in their products. Independent labs and research institutions in the US, Germany and elsewhere attested the NIG's performance. INSTRACORP appointed Aminex S.A.R.L. as underwriters for their new issue of 8,000,000 common shares, $ 0.001 par value, Reg S with two years restriction, and Aminex is offering to non US citizens or residents, on "first come first serve basis" such shares at the following prices: First 2,000,000 shares at $ 3.00/share, second 2,000,000 shares at $ 5.00/share, third 2,000,000 shares at $ 7.00/share and last 2,000,000 shares at $9.00 share. Minimum subscription is 10,000 shares. Please contact:
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(Continued)

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WORLD ROUNDUP



Michael Probst/AP

Matthias Sammer was voted European player of the year.

Gold for Sammer

SOCCER Matthias Sammer, the sweeper for the German national team and for the German champion *Borussia Dortmund, won the* European Golden Ball on Monday. He gained 144 points in the poll of 57 sports journalists conducted by *France Football magazine.*

Ronaldo, Barcelona's young Brazilian striker, won 141 points. Alan Shearer, the Newcastle United and England center forward, was third with 109. *(AFP)*

Unser Needed Pit Crew

Bobby Unser, a three-time Indianapolis 500 winner, and a friend fought for survival for two nights after both their snowmobiles broke down in a blizzard in New Mexico.

Unser, 63, and Robert Gayton, 36, sheltered in a snow cave and withstood temperatures of zero with wind chills well below zero before they found a barn that had a phone and heater late Saturday night. They were picked up by Bobby's brother, Al Unser Sr., examined at a clinic and sent home Sunday.

Unser and Gayton began their trek Friday morning from Unser's ranch home at Chama, about 120 miles north of Albuquerque. The two men carried no food or water, but they were dressed in insulated snowmobiling outfits. *(AP)*

Farewell Title for Marshall

FOOTBALL Florida State transfer Randy Moss had nine receptions for 220 yards and four TDs as Marshall beat Montana 49-29 in the NCAA Division I-AA title game. Marshall is moving to the Division I-A Mid-American Conference next season. *(AP)*

Higuita's House Bombed

SOCCER Assailants threw a small explosive device at the home of Rene Higuita, ex-goaltender for Colombia's national team and one of the country's best-known players, the police said. There were no injuries. The attack occurred in Medellin, 185 miles northwest of Bogota.

General Alfredo Salgado, Medellín's police chief, said two assailants threw the explosive and sped away on a motorcycle. He said that the police have made no arrests and that the motive for the attack was not clear. *(AP)*

Grizzlies Catch Complacent Bullets

Anthony Peeler Leads Vancouver From Hibernation to Victory

By J. A. Adande
Washington Post Service

VANCOUVER — No lead is safe for the Washington Bullets, not even against the Vancouver Grizzlies.

The Bullets have made a habit of letting big leads slip away. On Sunday they led by 11 before losing 91-87 to the Grizzlies at GM Place.

The Grizzlies are always ready to hibernate, and entering Sunday night's game they were 0-20 when falling behind by 10 points or more. The Bullets were ahead by 11 on more than one occasion and led by eight at the start of the fourth quarter. Obviously, that does not mean anything to the Bullets, and the word is out in the NBA.

"That's what coach Brian Winters, kept telling us," said Vancouver guard Anthony Peeler, who led the Grizzlies with 27 points. "He said this team will let you back in, they don't like to run away with the game, they tend to keep running their plays and keep posting up. That gave us that confidence, too, to never give up."

Peeler, Vancouver's shooting guard, scored eight of his 27 points in a three-minute stretch late in the fourth. That run included a three-pointer that banked in to give the Grizzlies a three-point lead with 5 minutes 20 seconds remaining.

Bullets guard Rod Strickland had 23 points and 10 assists, and forward Chris Webber posted his usual numbers: 20 points and 11 rebounds. But at 10 for 23, he shot below his typical 50 percent — thanks in part to two missed dunks — and was 3 for 11 in the second half.

The Grizzlies are the lowest-scoring team in the league and have lost 12 games by 15 points or more. They have won three of their past six games, however.

Vancouver forward Shareef Abdur-Rahim, who is quietly putting together strong credentials for rookie of the year, scored 24. Forward George Lynch worked hard under the basket and grabbed 12 rebounds. He picked up one rebound while on his back to help the Grizzlies to a 48-37 rebounding edge.

NBA ROUNDUP

In other games, The Associated Press reported:

Sonics 93, Mavericks 79 *Gary Payton* scored nine of his season-high 31 points in the fourth quarter against visiting Dallas as Seattle won its fourth straight.

Payton has averaged 24.5 points a game in Seattle's last four wins and has shot 69 percent from the field. He has also averaged six assists and two turnovers a game.

"Gary had a good week," said his teammate, Hersey Hawkins. "He's getting to the basket and, more important, he's setting up the other guys, passing the ball well."

"Gary's probably playing as well as any point guard in the league," Derek Harper of Dallas said. "It was easy for him to get his rhythm because he got so many easy baskets."

Payton equaled a season high by making 11-of-15 shots from the field. He added four assists, two steals and one turnover in 39 minutes.

Detlef Schrempf had 15 points, 11 rebounds and six assists for the Sonics.

Hornets 102, Celtics 98 At Boston, Glen Rice scored 25 points, and Anthony Mason added 19 for Charlotte.

David Wesley made seven 3-pointers and scored 34 points to lead the Celtics, but he committed a turnover with three seconds left and Boston trailing by one point.

Warriors 97, Clippers 91 At San Jose, California, Latrell Sprewell scored on a three-point play with 1:10 remaining and Golden State scored the game's final seven points.

Sprewell scored 27 points, and Joe Smith added 24 points and 12 rebounds for the Warriors.

In games reported in some editions Monday

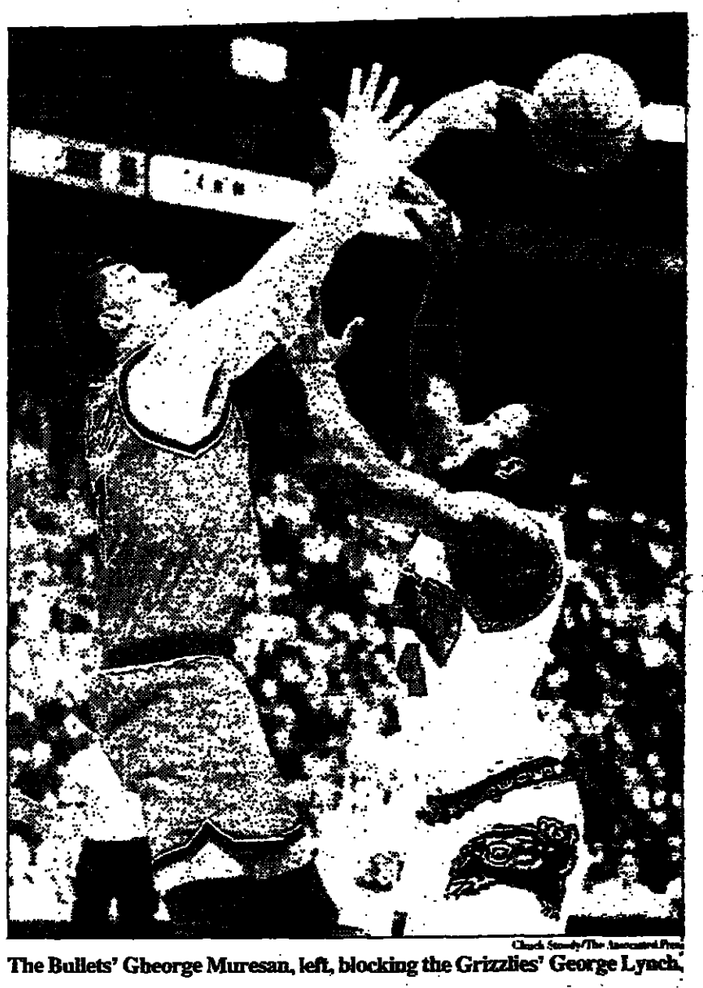
Cavaliers 100, Jazz 94 At Cleveland, Terrell Brandon scored 12 of his career-high 33 points in the final 1:12 as the Cavs won their fifth straight.

Utah's Karl Malone became the 11th player to reach 20,000 points and 10,000 rebounds in an NBA career. His fourth rebound of the game, of a missed 3-pointer by Danny Ferry 2:10 before halftime, was No. 10,000.

Brandon extended his consecutive free throw streak to 56 by going 11-for-11 from the foul line.

Pacers 111, Raptors 92 At Indianapolis, Reggie Miller scored 21 points as Indiana reached the .500 mark for the third time this season.

Raptors' guard Damon Stoudamire, who came in averaging 20.4 points, scored only eight as Toronto lost for the ninth time in 10 road games.



Chuck Stoody/The Associated Press

The Bullets' Gheorge Muresan, left, blocking the Grizzlies' George Lynch.

In Ocean Racing Safety Issues Rock the Boat

Reuters

SYDNEY — The Sydney-to-Hobart, starting Thursday, is regarded as one of the toughest ocean races in the world. But some sailors question whether the latest high-tech yachts are safe enough for its treacherous conditions.

Modern materials such as carbon fiber have allowed yacht designers to build lightweight, high-performance boats that are fun to sail inshore or on short ocean races.

But when forced to endure prolonged foul weather, many simply begin to break up. Owners now take this for granted.

"It's the toughest ocean race in the world and I think it has to be treated with respect," George Snow, owner of second race favorite, Australian maxi Brindabella, said of the Hobart. "I think the guys who can sail their boats and keep their boats together in hard conditions will do well."

In 1993, mountainous 11-meter (35-foot) seas and 70-knot gales forced 67 boats to retire from a 106-strong Hobart fleet. Many boats limped to a haven port with their high-tech hulls cracked and their crews baling water.

Bob Mills, a veteran of a dozen Hobarts, last week questioned what would happen if the 94-boat fleet this year encountered a sea as stormy as in 1963. That year, winds of over 80 knots hit the fleet, but 80 percent of the boats finished the 630-nautical mile race.

Mills argued that yacht designers had been allowed to focus on performance at the expense of safety under the latest International Measurement System rules, citing the design factor called "human ballast."

Crews are now required to sit on the edge of lightweight yachts, feet dangling over the side, in order for them to perform properly and not slide sideways.

"Without that weight the boat just will not go where it is pointed," Mills wrote in The Australian Financial Review, "but instead slip sideways because, among other things, it is heeled over too far for its keel to get a proper grip in the water.

"For most of the last 100 years, ocean racing yachts were designed to be able to sail efficiently, in rough weather and even in extreme conditions, with most of the crew below decks."

Mills said the prime target of the Yacht Racing Association of Britain a century ago was to discourage light-displacement yachts that simply skimmed across the ocean. The lighter a yacht, the faster the boat's speed.

When the new International Measurement System rules were introduced in the 1980s, they produced a crop of safer boats.

But those rules are now being manipulated, said Mills, adding that the quest for line honors is pushing designers toward faster, lighter boats.

Some of the fastest yachts in the Hobart race this year are downwind flyers which, with a tailwind, skim along the top of the ocean at remarkable speeds.

The Australian yachtsman who went solo around the world, Ian Kiernan, agreed that today's modern ocean racers are simply not safe enough.

"I have been to a lot of memorial services for a lot of friends who have drowned at sea," Kiernan said, "and a number of those have drowned because they have been in boats that have not been up to the extreme weather conditions."

He added: "These modern boats are designed for minimum tolerances. If you get extreme conditions, they break, and the rest of the yachting community is subsidizing that through their insurance premiums."

Kiernan, who will be sailing his 36-year-old timber yawl Maris in the Hobart this year, said he believed race organizers should give owners some incentive to build safer yachts.

He also disputed the fact that safer boats were not competitive, citing the 1928 timber sloop Southerly, sailed by the 72-year-old Don Mickleborough, which was third overall in last year's Hobart.

Australia's top yacht designer and former America's Cup skipper, Iain Murray, said design rules were adequate and that safety started with improving sailing skills.

"I am not going to say that all the current IMS boats are going to make it through any particular storm," he said.

"If you want to start with safety at sea you want to start with the people before the boats," said Murray, who will helm his newly launched racer-cruiser Sydney in the Hobart.

"The bottom line is very few people have enough respect of the sea, and no one will ever win against the sea. The wrong boat in the wrong hands is a diabolical mixture."

Milestones for Hull and Messier

The Associated Press

Brett Hull is now a member of the National Hockey League's 500 Club, while Mark Messier has joined a more exclusive group.

Both reached milestones Sunday night as Hull scored his 500th goal with a hat trick in the St. Louis Blues' victory over Los Angeles, and Messier recorded his 1,500th point with two goals and two assists as the New York Rangers beat the Florida Panthers.

NHL ROUNDUP

Blues 7, Kings 4 Hull scored his historic 500th goal when he completed a hat trick in the third period.

Hull became the 24th player in NHL history to score 500 goals, and the second in his own family. His father, Bobby, scored 610 in an impressive NHL career that landed him in the Hockey Hall of Fame. They are the only father-son combination to each record 500 goals.

The game capped a tumultuous week for Hull, who had been in a longtime feud with the Blues' general manager and coach, Mike Keenan, who was fired Thursday. The victory was the first for the Blues under the team's interim coach, Jim Roberts.

Hull was particularly happy that he scored No. 500 at home.

"It means everything," Hull said. The fans "have been so great to me over the years. Even through the last 2½ years of garbage that's been going on, 99 percent of them have backed me all the way and have treated me the same way as when I came here."

Rangers 7, Panthers 3 For one night the Rangers' offense didn't revolve completely around the NHL's scoring leader, Wayne Gretzky, who did stretch his point-scoring streak to 11 games with an assist.

Messier assisted on Alexei Kovalev's first goal of the game in the first period, and scored his 17th and 18th and assisted on Kovalev's second goal in the second period. Niklas Sundstrom added two goals, and Brian Leetch registered four assists for New York.

Messier became only the fifth player in NHL history to score 1,500 points. In the process, he moved past Johnny Bucyk into 12th place on the goal-scoring list with 557.

Flyers 2, Blackhawks 2 In Chicago, Philadelphia's four-game shutout and seven-game winning streaks ended, but the Flyers still rallied to tie the Blackhawks when Eric Lindros scored twice in a 48-second span of the second period.

Garth Snow made 30 saves for the Flyers, who have not lost in 11 games since Nov. 27. Snow, who was in net for two of the four shutouts, was beaten by Sergei Krivokrasov 2:38 into the game — the first goal Philadelphia had allowed in 265 minutes, 8 seconds.

Red Wings 6, Oilers 2 In Edmonton, Alberta, Brendan Shanahan, Vyacheslav Kozlov and Jamie Pushor scored in the second period as Detroit extended the Oilers' streak without a victory to seven games.

Flames 7, Coyotes 2 German Titov sparked a three-goal first period with a pair of power-play goals and recorded his second career hat trick as visiting Calgary beat Phoenix to snap a three-game losing streak.

SCOREBOARD

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Miami	19	7	.731	—
New York	18	7	.720	½
Washington	12	13	.480	6½
Orlando	9	13	.409	8
Philadelphia	7	18	.280	11½
New Jersey	6	16	.273	11
Boston	5	19	.208	13

CENTRAL DIVISION

Chicago	23	3	.885	—
Detroit	20	5	.800	2½
Cleveland	17	8	.680	5½
Atlanta	15	9	.625	7
Charlotte	15	11	.576	8
Milwaukee	14	11	.560	8½
Indiana	12	12	.500	10
Toronto	9	18	.333	14½

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Houston	21	5	.808	—
Utah	20	5	.800	½
Dallas	9	16	.360	11½
Minnesota	9	17	.346	12
Denver	7	19	.269	14
San Antonio	6	17	.261	13½
Vancouver	6	22	.214	16

PACIFIC DIVISION

Seattle	20	9	.690	—
L.A. Lakers	19	9	.679	½
Portland	14	13	.519	5
Golden State	10	17	.370	9
L.A. Clippers	10	17	.370	9
Sacramento	10	17	.370	9
Phoenix	8	17	.320	10

SUNDAY'S RESULTS

Utah 27 22 21 24— 94
Cleveland 27 24 26 23—100
U: Malone 8-15 4-9 20, Hornacek 6-13 2-2 15; C: Brandon 11-21 11-11 33, Philis 8-15 4-4 23. Rebounds—Utah 38 (Malone 12), Cleveland 41 (Hill 10).

Toronto 20 20 19 33— 92
Indiana 25 31 24 31—111
T: Rogers 7-12 1-5 15, Christie 4-15 5-6 14; I: Miller 7-12 5-5 21, A.Davis 4-6 6-8 14, Ferrell 4-4 4-4 14. Rebounds—Toronto 60 (Jones 11), Indiana 51 (Dampier 8).

Charlotte 28 22 28 24—102
Boston 22 30 28 18— 98
C: Rice 7-18 11-13 25, Mason 6-13 4-4 19; B: Wesley 11-14 5-6 34, Fox 6-14 7-9 19. Rebounds—Charlotte 55 (Mason 13), Boston 49 (Fox, Walker 9).

Dallas 21 24 18 16— 79
Seattle 28 22 20 22— 93
D: McCloud 7-15 2-2 23, Gatling 5-11 5-6 15; S: Payton 11-15 8-13 31, Schrempf 4-10 7-11 15. Rebounds—Dallas 37 (Gatling 9), Seattle 62 (Kemp 13).

L.A. Clippers 19 23 26 23— 91
Golden State 31 14 23 29— 97
L.A.: Vaught 10-15 0-0 20, Sealy 6-13 4-6 16; G.S.: Sprewell 9-19 6-9 27, Smith 8-19 8-9 24. Rebounds—Los Angeles 46 (Vaught 16), Golden State 47 (Smith).

Washington 26 26 18 17— 87
Vancouver 18 23 21 29— 91
W: Webber 10-23 0-2 20, Howard 6-14 5-7 17; V: Peeler 10-17 2-2 27, Abdur-Rahim 9-17 6-9 24. Rebounds—Washington 42 (Webber 11), Vancouver 59 (Lynch 12).

HOCKEY

NHL STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Philadelphia	27	12	3	45	170	86
Florida	19	8	7	45	104	80
N.Y. Rangers	18	14	5	41	131	100
New Jersey	19	11	2	40	89	77
Washington	14	18	2	30	91	95
N.Y. Islanders	11	14	8	30	87	92
Tampa Bay	11	18	3	25	91	103

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Buffalo	18	14	2	38	103	95
Hartford	16	11	6	38	104	106
Pittsburgh	16	15	3	35	119	112
Boston	13	15	5	31	94	114
Montreal	12	17	5	29	111	119
Ottawa	9	15	7	25	81	97

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	21	10	3	45	99	78
Detroit	18	11	6	42	104	68
St. Louis	16	19	1	33	101	120
Phoenix	14	16	4	32	89	107
Chicago	14	18	4	32	88	92
Toronto	14	21	0	28	104	123

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	19	10	5	43	119	82
Vancouver	16	15	1	33	100	98
Edmonton	14	18	4	32	114	114
Calgary	13	18	5	31	90	102
Anaheim	12	16	5	29	97	105
Los Angeles	12	19	4	28	93	120
San Jose	11	18	4	26	81	109

SUNDAY'S RESULTS

Florida 1 0 2—3
N.Y. Rangers 3 3 1—7
First Period: N.Y.-Kovalev 10 (Graves, Messier) 2, F-Sheppard 14 (Straka) 3, N.Y.-Sundstrom 14 (Gretzky, Robitaille) 4, N.Y.-Korpivitser 2 (Graves, Leetch) (pp). Second Period: N.Y.-Messier 17 (Leetch) (sh), 6, N.Y.-Messier 18 (Leetch, Kovalev) 7, N.Y.-Kovalev 11 (Leetch, Messier) Third Period: N.Y.-Sundstrom 15 (Robitaille) 9, F-Sheppard 15 (Lowry, Straka) 10, F-Sheppard 16 (Straka) (pp). Shots on goal: F- 7-10-13—30. N.Y.- 17-12-9—38.

Los Angeles 1 2 1—4
St. Louis 2 3 2—7
First Period: S.L.-Mackinnis 10 (Murphy, Campbell) (sh), 2, L.A.-Tsyplakov 8 (Yachmenev, Ferraro) 3, S.L.-Hull 13 (Turgeon, Mackinnis) Second Period: S.L.-Hull 14 (Mackinnis) 5, L.A.-Ferraro 14 (Tsyplakov, Smyth) 6, L.A., Stevens 4 (O'Donnell, Brotenir 7, S.L.-Courtnall 10 (Turgeon, Kravchuk) 8, S.L.-Turgeon 5. Third Period: S.L.-Mallette 10 (Hull, Turgeon) 10, S.L.-Hull 15 (Turgeon) 11, L.A.-Lapointe 3 (Polonski) Shots on goal: L.A.- 8-10-9—27. S.L.- 6-18-10—34.

Detroit 1 3 2—6
Edmonton 2 0 0—2
First Period: E-Norton 1 (Marchment) 2, D-Fedorov 12 (Shanahan, Larionov) (pp), 3, E-Kovalenko 16 (Arnott) Second Period: D-Shanahan 19 (Larionov, Fedorov) (pp), 5, D-Kozlov 10 (Konstantinov) 6, D-, Pushor 3 (Johnson) Third Period: D-Errey 1, 8, D-Konstantinov 1 (Larionov, Kozlov) Shots on goal: D- 11-9-9—29. E- 10-17-7—34.

Philadelphia 0 2 0 0—2
Chicago 2 0 0 0—2
First Period: C-Krivokrasov 5 (Shanks, Soter) 2, C-Amonte 22 (Moreau, Carney) Second Period: P-Lindros 8 (Desjardins, Minnmod) (pp), 4, P-Lindros 9, Third Period: None. Overtime: None. Shots on goal: P- 9-14-7-2—32. C- 5-12-10-0—27. Goalies: P-Snow, C-Belfour.

Calgary 3 2 2—7
Phoenix 1 1 0—2
First Period: P-Tkachuk 19 (Drake, Quinn) 2, C-Hlushko 3 (Reichel) 3, C-Titov 11 (O'Sullivan, Fleury) (pp), 4, C-Titov 12 (Fleury, Gagner) (pp). Second Period: C-Iginla 12 (O'Sullivan, Gagner) 6, P-Shannon 3 (Tverdovsky, Roenick) 7, C-, Fleury 16 (McCarthy, Titov) Third Period: C-Titov 13 (Reichel, Stern) 9, C-Stern 1 (Reichel) Shots on goal: C- 16-12-13—41, P- 14-12-8—34.

FOOTBALL

NFL STANDINGS

AMERICAN CONFERENCE

EAST

	W	L	T	Pct.	PF	PA
x-New England	11	5	0	.687	418	313
y-Buffalo	10	6	0	.625	319	266
y-Indianapolis	9	7	0	.562	317	334
Miami	8	8	0	.500	339	325
N.Y. Jets	1	15	0	.063	279	454
x-Pittsburgh	10	6	0	.625	344	257
y-Jacksonville	9	7	0	.562	326	335
Cincinnati	8	8	0	.500	372	369
Houston	8	8	0	.500	345	319
Baltimore	4	12	0	.250	371	441

CENTRAL

x-Denver	13	3	0	.813	391	275
Kansas City	9	7	0	.562	297	300
San Diego	8	8	0	.500	310	376
Oakland	7	9	0	.438	340	293
Seattle	7	9	0	.438	317	376

NATIONAL CONFERENCE

EAST

	W	L	T	Pct.	PF	PA
x-Dallas	10	6	0	.625	286	250
y-Philadelphia	10	6	0	.625	343	341
Washington	9	7	0	.562	344	312
Arizona	7	9	0	.438	300	297
N.Y. Giants	6	10	0	.375	242	297

CENTRAL

x-Green Bay	13	3	0	.813	456	210
y-Minnesota	9	7	0	.562	298	315
Chicago	7	9	0	.438	283	305
Tampa Bay	6	10	0	.375	221	293
Detroit	5	10	0	.333	288	344

WEST

x-Carolina	12	4	0	.750	367	218
y-San Francisco	11	4	0	.733	374	243
St. Louis	6	10	0	.375	303	409
Atlanta	3	13	0	.186	309	465
New Orleans	3	13	0	.188	229	339

x-clinched division title.
y-clinched playoff spot.

SUNDAY'S RESULTS

Philadelphia 29, Arizona 19
Jacksonville 19, Atlanta 17
Tampa Bay 34, Chicago 19
Houston 24, Baltimore 21
Cincinnati 21, Indianapolis 24
Buffalo 20, Kansas City 9
Miami 31, New York Jets 28
Green Bay 38, Minnesota 10
Carolina 18, Pittsburgh 14
Washington 37, Dallas 10
Seattle 28, Oakland 21
San Diego 16, Denver 10

COLLEGE BOWL GAMES

WEDNESDAY, DEC. 25
BLUE-GRAY CLASSIC
AT MONTGOMERY
Blue vs. Gray, noon (all times EST).
ALOHA BOWL
At Honolulu
California (6-5) vs. Navy (8-3), 3:30 p.m.
FRIDAY, DEC. 27
LIBERTY BOWL
AT MEMPHIS
Houston (7-4) vs. Syracuse (8-3), 3 p.m.
CARQUEST BOWL
AT MIAMI
Miami (8-3) vs. Virginia (7-4), 7:30 p.m.
COPPER BOWL
AT TUCSON
Utah (8-3) vs. Wisconsin (7-5), 9 p.m.
SATURDAY, DEC. 28
PEACH BOWL
AT ATLANTA
Clemson (7-4) vs. LSU (9-2), 8 p.m.
SUNDAY, DEC. 29
ALAMO BOWL
AT SAN ANTONIO
Iowa (8-3) vs. Texas Tech (7-4), 8 p.m.
MONDAY, DEC. 30
HOLIDAY BOWL
AT SAN DIEGO
Washington (9-2) vs. Colorado (9-2), 8 p.m.
TUESDAY, DEC. 31
HERITAGE BOWL
AT ATLANTA
Howard (9-2) vs. Southern U. (7-4), noon.
SUN BOWL
AT EL PASO
Stanford (6-5) vs. Michigan State (6-5), 2 p.m.
INDEPENDENCE BOWL
AT SHREVEPORT
Auburn (7-4) vs. Army (10-1), 3:30 p.m.
ORANGE BOWL
AT MIAMI
Nebraska (10-2) vs. Virginia Tech (10-1), 7 p.m.
WEDNESDAY, JAN. 1
OUTBACK BOWL
AT TAMPA
Alabama (9-3) vs. Michigan (8-3), 11 a.m.
GATOR BOWL
AT JACKSONVILLE
N.Carolina (9-2) vs. W.Virginia (8-3), 12:30 p.m.
CITRUS BOWL
AT ORLANDO
Northwestern (9-2) vs. Tennessee (9-2), 1 p.m.
COTTON BOWL
AT DALLAS
BYU (13-1) vs. Kansas St. (9-2), 1:30 p.m.
ROSE BOWL
AT PASADENA
Arizona St. (11-0) vs. Ohio St. (10-1), 4:30 p.m.
FIESTA BOWL
AT TEMPE
Penn State (10-2) vs. Texas (8-4), 8 p.m.
THURSDAY, JAN. 2
SUGAR BOWL
AT NEW ORLEANS
Florida State (11-0) vs. Florida (11-1), 8 p.m.

SOCCER

DUTCH FIRST DIVISION
NEC Nijmegen 1, Feyenoord 2
Twente Enschede 1, AZ Alkmaar 0
Volendam 1, Vitesse Arnhem 1
Ajax Amsterdam 0, PSV Eindhoven 2
STANDINGS: PSV Eindhoven 48 points; Feyenoord 45; Twente Enschede 40; Vitesse Arnhem 33, Roda JC Kerkrade 33; Graafschap Doetinchem 30, Ajax Amsterdam 29; Heerenveen 29; NAC Breda 25; Utrecht 22, Volendam 22, Willem II Tilburg 22; Sparta Rotterdam 21; Fortuna Sittard 19; AZ Alkmaar 18, Groningen 18; NEC Nijmegen 16; RKC Waalwijk 15.
ITALIAN FIRST DIVISION
Fiorentina 2, Cagliari 0
SPANISH FIRST DIVISION
Tenerife 5, Espanyol 1
Sevilla 0, Real Betis 3

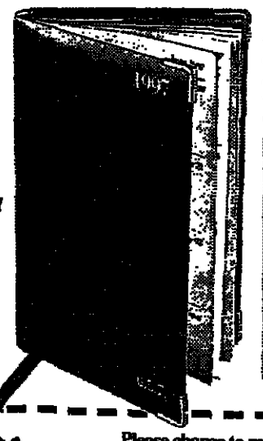
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SPORTS

Redskins' RFK Era Ends With Victory Over Dallas

Jaguars and Bills Notch Playoff Spots

Compiled by Our Staff From Dispatches

WASHINGTON — On a cold, crisp day that smelled of playoff football, RFK Stadium was sold out for the 229th straight time and 56,454 fans were there for the last National Football League game in the stadium's 35-year history. Even before kickoff, fans shook the stands and chanted, "We want Dallas. We want Dallas."

And at the end of a long afternoon, the Redskins had a 37-10 victory over the Cowboys, who rested many of their first-string players, and a winning record (9-7) for the first time since 1992.

Running back Terry Allen scored three touchdowns, giving him an NFL-leading 21 for the season, and gained 87 yards on 26 carries to set a Redskins single-season rushing record with 1,353 yards. The previous record was held by John Riggins.

The Redskins' four-game losing streak ended but they missed the playoffs for a fourth straight year.

Dallas's coach, Barry Switzer, had called it a "bye week" and Troy Aikman, Emmitt Smith and others got the day off. Defensive end Tony Tolbert had a streak of 111 consecutive starts, so he played only in the first series. Cornerback Deion Sanders played two series and then *departed after appearing to re-*injure his back.

Having already clinched their fifth straight NFC East division title, the Cowboys played with an eye toward next week's wild-card playoff game against Minnesota.

Chargers 16, Broncos 10 Way back on Dec. 1, Denver clinched the AFC West title, gaining a first-round bye and home-field advantage. On Sunday in San Diego, John Elway came out after 20 plays and a 10-7 lead. Tight end Shannon Sharpe didn't play to let a injury heal.

Terrell Davis all but clinched his first NFL rushing title, gaining 21 yards on nine carries for a total of 1,538 yards on 345 carries.

Junior Seau, the San Diego linebacker broke his left hand in the first quarter and sprained his right knee in the second quarter but still re-

NFL Roundup

covered two fumbles, deflected three passes and nearly intercepted one.

In games reported in some editions Monday:

The Jacksonville Jaguars and Buffalo Bills both won Sunday to secure two of the three remaining playoff places. The other two contenders, the Indianapolis Colts and Kansas City Chiefs, both lost but the Colts gained the last postseason berth although defeat cost them home-field advantage.

Bills 20, Chiefs 9 Weakened by the flu, Jim Kelly threw a pair of fourth-quarter touchdown passes to lead Buffalo over Kansas City. The Bills *made the playoffs for the* eighth time in nine seasons, while the Chiefs (9-7) failed to reach the postseason for the first time this decade.

Eagles 29, Cardinals 18 Ray Rhodes is going back to San Francisco for the playoffs — as coach of the visiting team. Rhodes, a former defensive assistant with the 49ers, will take Philadelphia to the Bay area for a wild-card game against his old team next Sunday.

Jaguars 19, Falcons 17 Jacksonville slipped into the playoffs when visiting Atlanta blew a chance to win. Morten Andersen missed a 30-yard field goal with four seconds left, breaking his streak of 59 straight without a miss from 30 yards or closer.

Bucs 34, Bears 19 In Tampa, the Bucs (6-10) scored their most points in three years and extended their home winning streak to five.

Oilers 24, Ravens 21 Steve McNair threw for one touchdown and ran for another as Houston (8-8) set a franchise record with its sixth road victory. Baltimore's Vinny Testaverde threw three touchdown passes to Michael Jackson, but the Ravens (4-12) lost for the 10th time in 12 games.

Bengals 31, Colts 24 In Cincinnati, Jeff Blake threw a pair of fourth-quarter TD passes as the Bengals (8-8) finished with their best record since 1990.

Dolphins 31, Jets 28 In East Rutherford, New Jersey, Dan Marino threw for three touchdowns and rookie Karim Abdul-Jabbar gained 152 yards as the Dolphins finished 8-8 *in their first season under* Jimmy Johnson.

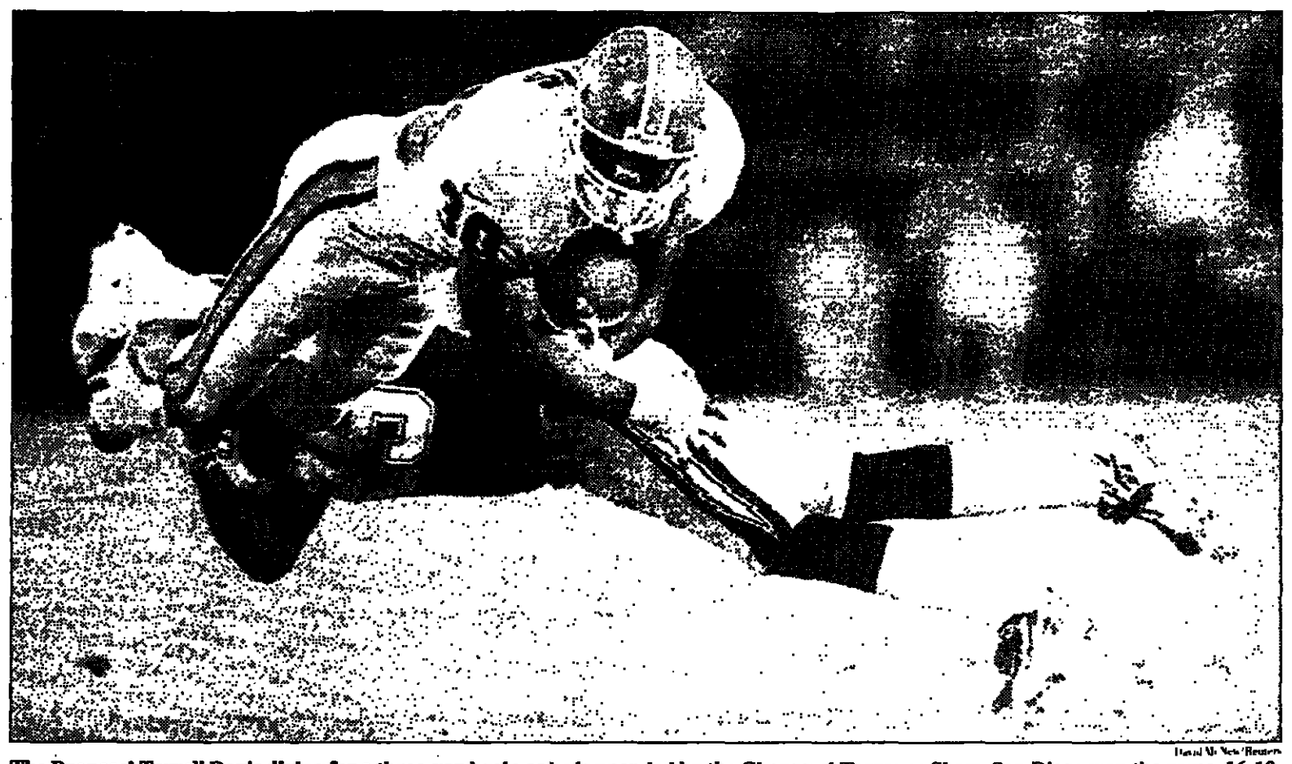
Packers 38, Vikings 10 Brett Favre threw three touchdown passes to break his own NFC single-season record with 39. It was Green Bay's 16th straight victory at home at Lambeau Field.

Panthers 18, Steelers 14 In Charlotte, North Carolina, the Panthers won and clinched the NFC Western Division title, despite Kordell Stewart's record-setting 80-yard touchdown run for Pittsburgh.

Stewart, playing quarterback *full-time for the first* time this season, set the mark for the longest touchdown run by a quarterback in NFL history.

Carolina's John Kasay kicked three field goals, giving him 37 and breaking the NFL single-season record of *35 set by the Giants' Ali Haji-*Sheikh in 1983 and tied by the Raiders' Jeff Jaeger in 1993.

Seahawks 28, Raiders 21 In Oakland, the fourth-string quarterback, Gino Torretta, helped Seattle (7-9) overcome a 14-3 deficit against the Raiders (7-9). *(WP, AP)*



The Broncos' Terrell Davis diving for a three-yard gain as he is upended by the Chargers' Terrance Shaw. San Diego won the game, 16-10.

A Hymn to an American Sports Cathedral

Washington Post Service

Vantage Point / **Thomas Boswell**

WHEN RFK Stadium opened in 1961, every kid on Capitol Hill thought that a space ship had landed in our neighborhood. If Martians had walked down East Capitol Street with ray guns, we couldn't have been more excited. When the enormous white saucer was under construction, we rode in waves *on our bikes to see if it was real.* "The Day the Earth Stood Still" had come to life for us.

In 35 years, almost nothing has changed on the 15-block walk from Stanton Park to Robert F. Kennedy Memorial Stadium.

The "New Lee Chow Mein" on Eighth Street has replaced the old one. A *real car barn, which once housed* streetcars, has now become the Car Barn of condos. But the rows of brick homes hardly have changed at all.

On Sunday, as thousands of nostalgic fans walked to the last Redskins game ever played in RFK, it might as well have been 1961, 1971 or 1981. Jeans, stocking caps and anything burgundy-and-gold are *still the uni*form. Most important Sunday, when you walked out of Lincoln Park, the sight was still the same.

There, rising like an architectural apparition a dozen blocks away, stands the boldest coliseum you ever saw. They make them with sky suites now with amenities and prices worthy of a pharaoh. But, so far, they haven't made a stadium in America that makes a classier first impression than RFK.

As RFK plummets in status from a National Football League hallmark to local footnote, it's worth remembering its place in history. What Camden Yards is to baseball architecture in the 1990s, *RFK Stadium was to design in* the 1960s. Any superlative you choose was worn out with repetition at that time. America saluted us as if on a nationwide cue. Sputnik had just been launched. The Space Age was the buzz phrase on every lip. In a nation where ballparks hadn't changed much since the 1910s, Washington's new stadium — then called D.C. Stadium — was like a cannon shot.

The place evoked such awe and envy that every city with an ego had to *have one. Atlanta just borrowed our* blueprints, made a few changes to save face, and threw up Fulton County Stadium. Soon, Philadelphia, Pittsburgh, Cincinnati and St. Louis copied. No other park, however, quite got the flowing roof lines exactly right. RFK was classic modern, understated in its grandeur and calmly self-assured.

Handful by handful, the field was respectfully torn to pieces. Chunks of turf were taken as bounty to every part of this area with teenagers doing their work side-by-side with ladies in full-length mink.

For *at least 10 years, Washing*tonians went to (cheap) baseball games simply to wander around RFK and gaze back at the city from the top of the upper deck. My mother loved to watch the moon rise over the left-field roof on summer nights. She said it was so grand, peaceful and inspiring that it reminded her of church. In a sense, *RFK was one of America's first sports* cathedrals.

On Sunday, Washington gathered one last time to pay homage to RFK. No, nobody's planning to tear the rusting place down — though when primary tenants leave, you never know. Soccer games and tractor pulls, rodeos and rock concerts are scheduled for 1997. But for this town, RFK has become the Redskins over the past 35 years. They're one and the same. Eight times a season, RFK becomes a homecoming game for anybody who *wants to claim D.C. as his alma mater* for a day.

When the Redskins get to their new home — 4.9 miles and a couple of light-years away — everything will be more upscale but nothing will be the same.

"This is such a special place, there's nothing in the NFL that *matches it. The bright colors of the* stands, the bleachers rocking up and down. I don't think the new place will be the same," said Mark Murphy, one of 33 former Redskins introduced at halftime.

"The best thing I did as a player was negotiate two season tickets," added Murphy, now the athletic director at Colgate. *And what location* does a former Pro Bowl safety merit in the RFK ticket-plan hierarchy? "Oh, I'm in the end zone in the upper deck." Murphy says, pointing to the roof. Then, like any good Redskins' season ticket holder, he adds, "But it's a great angle."

"This is a sad time in Redskins' *history. You understand they need the* new sky suites, to make the money to afford the players. But you hate to lose RFK," said ex-center Jeff Bostic.

One of the halftime-hero Redskins, however, interjected a candid note, saying, "It'd be nice to get a replay screen or a sound system to pump up the crowd. For a playoff, they're loud *like no other place. But sometimes,* they're kind of iffy. They could use a little help."

One of the dependable clichés of Washington life for decades has been that the Redskins pulled the city together. We saw that again Sunday when the Redskins' 37-10 victory *over the Cowboys was finished.* Thousands of fans gradually insinuated themselves around an extra 250 police until, finally, the field was theirs. Handful by handful, the field was respectfully torn to pieces. Chunks of turf were taken as bounty to every part of this area with teenagers doing their work side-by-side *with ladies in full-length mink.*

THE OLD Redskins played their parts perfectly. Sonny Jurgensen emerged from the players' tunnel and, perhaps overcome by adrenaline, actually began to jog toward midfield. However, after a few steps, Jurgy returned to character and *ambled, ever so slowly, the last 50* yards. The kicker Mark Moseley not only appeared in perfect playing shape but, in fact, is still in a local semi-pro league.

"Of course I feel like I could still go out there and do it," he said. "I kicked two 47-yarders and a 49-yarder this season."

John Riggins capped the show, dressed all in black — cape coat, knee-high boots, silver-studded motorcycle jacket, dark sunglasses, black tie. What is that style, and where do you wear it?

"Black-tie motorcycle fishing," he said.

We prefer to divide our lives into *units of measurement that calm our* fears. So, we keep 'em fairly short. Even a year is really not so long a span of time. Plenty of seasons left to us, we always tell ourselves.

Ballparks and stadiums, however, bring us up short. Over a sweep of decades, we leave more of ourselves in these places than we like to admit. *The new Redskins stadium in* Landover, Maryland — so new it doesn't have a name — will be a wonder in its own right. But will it give us half a lifetime of memories, all of them such a short walk from childhood?

2 More NFL Coaches Lose Jobs

The Associated Press

One day after the end of the National Football League's regular season, losing head coaches began to lose their jobs. Dan Reeves was fired Monday as coach of the New York Giants and June Jones was fired by the Atlanta Falcons.

Reeves compiled a 31-33 record in four seasons, missing the playoffs the past three years and posting a losing record the last two. Last Monday, the 52-year-old coach said he expected to be fired once the season ended.

Reeves, who had one year to go on a five-year contract, met with George Young, the Giants general manager, earlier in the day, according to a source close to the team.

"He said he talked to George and that they couldn't work it out," said the source, who spoke on condition that he not be identified.

Reeves battled with Young and Tom Boisture, the team's director of player personnel, for more input into player decisions.

Jones had coached Atlanta to a 3-13 record and clashed with quarterback Jeff George.

Jones had two years remaining on his contract.

"We all need to look at ourselves right now," said Taylor Smith, the team's president. "In no way is June Jones the sole reason this team finished 3-13."

Jones guided the Falcons to a rare playoff berth in 1995, but the team did not come close to approaching that mark this season.

Jones had a record of 19-29 in three years with the Falcons, ending his stay with a 19-17 loss to Jacksonville on Sunday.

DENNIS THE MENACE



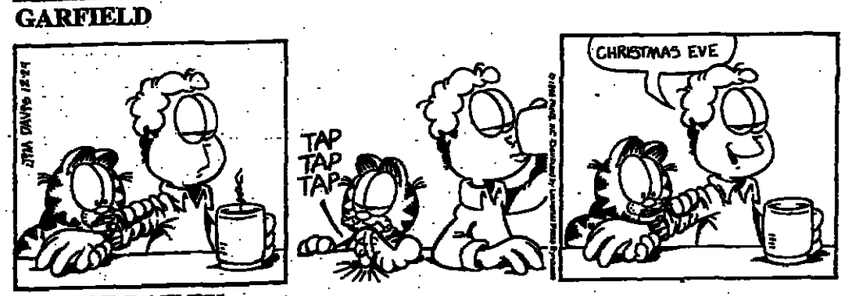
PEANUTS



CALVIN AND HOBBES



GARFIELD



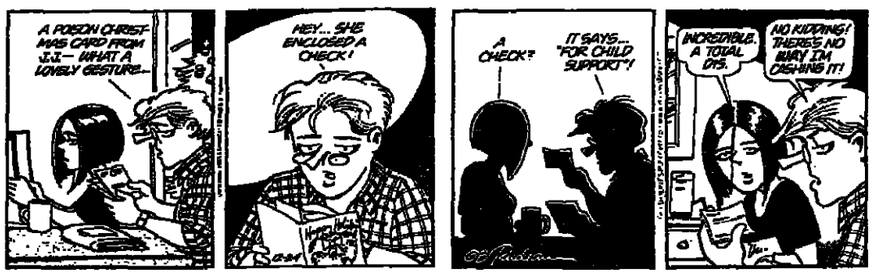
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Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

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OVEEK

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NAWDDE



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

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Yesterday's Jumbles: Answer: JUROR GAILY VIABLE BOUNCE
Answer: These long drills over he has to sit through — VERY BORING

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ART BUCHWALD

Holiday Bon Mots

WASHINGTON — Santa Claus gave the Democratic National Committee $500,000, and for this he was allowed to climb down the White House chimney and make a case to the president for more Chinese toys.



Buchwald

My sister is getting married to a girl I roomed with in college.

If the army told the truth about poison gas you'd never have another parade for Desert Storm.

Martha Stewart didn't *make our holly wreaths this* year because she drank too much of our eggnog.

I'm suing my true love for breach of promise because, according to our prenuptial agreement, he agreed to give me a pear tree and two turtle doves but never delivered.

I used to love Christmas until somebody put it on the Internet.

I couldn't find a Nintendo 64 toy for my grandson so I ran away from home.

The reason Barbie quit the Army was that GI Joe always yelled at her in boot camp.

We gave our son a DNA set and now he knows which brother stole his hamster.

The kids watched a Mature Audience Only TV show the other night and became depraved.

Even if O.J. sends me a Christmas card I have no intention of sending him one in return.

The more items I sell at Christmas the more religious I become.

If I had the choice of a white Christmas or more nicotine in my cigarettes I'd take the nicotine.

A gorilla fell into the pit at the zoo and my 3-year-old saved it.

I've decided to sell my swizzle stick from the Jackie Onassis collection.

I can't wait to see Boris Yeltsin dance with Secretary *of State Madeleine Albright.*

'Little' Drawings of Michelangelo

The Associated Press

WASHINGTON — *Queen Elizabeth II has lent 22 pen-* and-ink sketches by Michelangelo for an traveling exhibition in the United States.

"Michelangelo and His Influence: Drawings from Windsor Castle" runs at the National Gallery of Art in Washington until Jan. 5. It will be at the Kimbell Art Museum in Fort Worth, Texas, Jan. 19 through March 30 and at the Art Institute of Chicago, April 12 through June 22.

Many of the drawings were given by Michelangelo as gifts, including several to Tommaso de' Cavalieri. On one preliminary sketch there is a note in which the artist offered to draw another version if Cavalieri didn't like it, or finish it if he did.

"There was and remains an inherent surprise . . . in the painter, who could cover square meters of fresco in a day, producing drawings of watchmakerly precision," wrote Paul Joannides, who put the exhibition together.

Flynt as Free Speech Hero? It's Not That Simple



Sidney Baldwin/Columbia Tri-Star

The real Larry Flynt plays an Ohio judge in the movie.

By Nina Bernstein
New York Times Service

NEW YORK — *Christmas* week might not seem the best time to open a movie *that celebrates* a millionaire pornographer as an American folk hero. But in its own way, "The People vs. Larry Flynt," *Milos Forman's raucous hymn to* the First Amendment, belongs to a season when the sacred and the crass are served up in one flamboyant *pudding of consumer* excess and sentimental redemption.

If America has a civic religion, as the Harvard scholar Henry Louis Gates Jr. has observed, the First Amendment is its central article of faith. And the Czech-born Forman, with the gusto of a convert, is offering us an unabashed smut peddler as its patron saint, draped in all the star-spangled iconography that Hollywood can muster.

The movie has been critically embraced not only as an artistic tour de force but as a kind of democratic morality play.

But to some First Amendment legal scholars and practitioners, it all sounds a little too pat, if not too pious. They know that, like any sacred doctrine, the First Amendment is subject to the conflicting interpretations of its true believers. And even with a Supreme Court decision to his name, Larry Flynt stands for only one version.

"A lot of the press reports have treated this as though Larry Flynt, *for all his flaws, is kind of a hero of* the First Amendment," complains Cass Sunstein, *a professor of law at* the University of Chicago and a First Amendment specialist. "It's as if there are these evil people who are really moralistic and punitive, and then there are these freedom lovers. That's a really self-congratulatory, complacent way for movie makers to see the conflict."

Even Burt Neuborne, the civil liberties lawyer who in the movie is *cast against the grain as the self-*important counsel to the Reverend Jerry Falwell, *worries that* "The People vs. Larry Flynt" is one-sided. "Preachy" is the word he *used to describe some of the pro-*Flynt courtroom speeches taken directly from court transcripts.

Can it be that a movie that features a cartoon of a sexually aroused Santa Claus is not too raunchy but too *reverent* about free speech to do justice to the First Amendment?

"I would have loved to see somebody in that movie make the case against the First Amendment position," said Neuborne, a former legal director of the American Civil Liberties Union and now a law professor at New York University. "The pitch was always free speech against narrow-minded bigots. What you never heard was a more thoughtful voice."

In fact, civil libertarians agree, a long tradition of First Amendment case law relegates sexual expression to the very fringes of constitutional protection while jealously guarding political speech even at its most hateful.

"Flynt *isn't basically a political* dissident; he's basically a pornographer," Sunstein said. While it may be permissible to publish "materials that portray human beings as dehumanized objects for other people's masturbation," he added, "people who think that's not protected by the First Amendment have got an argument, and they're not puritanical people who are trying to oppose freedom."

But the movie gives us Larry *Flynt (played to the hilt by* Woody Harrelson) as the lovable enfant terrible *of the constitution, his* redneck vulgarity not just the price of a free society but a bracing antidote to the social pretentions of scoundrels.

He is the Horatio Alger of the sexual revolution, a poor Kentucky boy who parlays a string of seedy Ohio strip joints into a porn publishing empire, getting rich and having fun while thumbing his nose at the establishment.

What could be more American? To underline the point, Forman, who *came to the United States in 1968 as* a refugee from Communist repression in Czechoslovakia, is lavish in his use of red, white and blue.

In one memorable sequence, Flynt appears against a night sky filled with fireworks, flanked by drummer girls and a Statue of Liberty, like some Ruritanian vision of a Yankee Doodle dandy.

The occasion is a bicentennial party at his first mansion, where a hot tub orgy becomes the prelude to his marriage proposal to Althea Leasure (played by the rock star Courtney Love), an underage dancer with a keen bisexual appetite and the provocative business sense to propose a Wizard of Oz cartoon with an anatomically correct Tin Man.

In another scene, we are treated to a flag-draped chorus line strutting to "The Battle Hymn of the Republic," and we see Flynt preach his gospel before a giant slide projection of waving stars and stripes. "What is more obscene, sex or war?" he asks as gentle porn is intercut with scenes from My Lai and Hiroshima.

You would never know that the most passionate First Amendment *debates about pornography, then as* now, concern sexual violence against women. Or that for many women, Hustler magazine in its glory years was synonymous not with sexual liberation or even sleaze (though it was truly sleazy) but with the imagery of violent sexism.

Fleetingly, we do see the notorious Hustler cover of a naked woman being fed into a meat grinder. But we don't see another Hustler classic: the picture of a *nude woman bagged like a deer and* bound to the luggage rack of a car.

Still, in the movie, Flynt is hard to hate. Yes, he wears an American flag as a diaper, spits at a judge and twirls in his gold-plated wheelchair exulting, "I'm turning the whole world into a tabloid!" as marshals storm his Beverly Hills estate.

"A lot of things in that movie are embarrassing," says the real Flynt, who plays a cameo role in the movie as the Ohio judge who first *sent Larry Flynt to jail.* "But it's my life. What can I say?"

PEOPLE

JAPAN'S **Emperor Akihito** has joined an imperial attack on the news media with fresh criticism of press reports on his royal family. In his 63d birthday message, released Monday, Akihito insisted that "freedom of speech" must be paired with "accurate reporting based on facts." The emperor's daughter-in-law, **Crown Princess Masako**, and his second son, **Prince Akishino**, have both been much written about and recently used birthday interviews to challenge their critics. The princess, a former diplomat who married **Crown Prince Naruhito** in 1993, has faced speculation that she was depressed because she has not produced a royal heir, while Prince Akishino has been unable to shake media gossip about alleged extramarital affairs.

□

The five-month-old granddaughter of Greece's ousted king, **Constantine II**, was baptized in a ceremony in Istanbul attended by European royalty. Britain's **Prince Charles** and Spain's **Queen Sophia**, who is Constantine's sister, took part in the baptism of **Maria Olympia**. The leader of the world's Greek Orthodox Christians, **Patriarch Bartholomeos II**, conducted the ceremony. Constantine was toppled by a Greek military coup in 1967 and has been living in exile since then.

□

Joni Mitchell is searching for the love child she gave up for adoption three decades ago. The author of "Woodstock" and many other classic songs of the 1960s and '70s told the New York Post that she hoped her elderly parents would get a chance to meet their granddaughter, whom she bore out of wedlock shortly after dropping out of art school. "I've been blocked so far by the people who have the papers," said the singer-songwriter, referring to the documents of adoption. Mitchell, who is now 53, gave birth to her daughter at a Toronto hospital in 1965; she named the baby Kelly and put her up for adoption. She didn't tell her parents she had given birth until years later.

The crooner **Tony Bennett** is recovering nicely from a hernia that he suffered at a White House dinner hosted by **President Bill Clinton**. The illness forced Bennett, 70, to cancel a sold-out concert in suburban Philadelphia on Sunday, but he is expected to be released from the hospital by Christmas and should be able to resume his full schedule in a few weeks, his publicist said.

□

The actor **Charlie Sheen** was arrested after a 24-year-old woman accused him of slamming her to the floor during a fight at his suburban Los Angeles home. The woman told sheriff's deputies that the scuffle left her nearly unconscious and that she needed seven stitches to close the gash in her lip. Sheen, 31, posted $20,000 in bail and will be arraigned Jan. 4.

□

The German supermodel **Claudia Schiffer** says an acquaintance is trying to sell 10-year-old photographs of her sunbathing topless, and she is threatening legal action against any publication that uses the pictures. Schiffer told the newspaper Bild that a man she knew briefly took the photos when she was 17. She was sunbathing topless on a beach in Majorca. "I was at that time not yet a public figure and took a few private snapshots," Bild quoted Schiffer as saying. "That is my private sphere and I will not let anyone break into that."

□

Some needy Los Angeles kids whose Christmas looked grim after a charity toy theft got a reprieve from a Santa with bulging biceps. **Arnold Schwarzenegger** donned a red suit and played St. Nick for thousands of children at the Hollenbeck Youth Center, which lost 3,500 donated toys from its warehouse to thieves. After the Dec. 15 theft, residents, celebrities and companies responded with a flood of gifts and donations. "I am ready for anything, basically," Schwarzenegger said. "Everybody in town chipped in."



Reuters

Prince Charles, at right, holding Maria Olympia during her baptism in Istanbul.



Not for all the tea in 10811.

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